

FT Weekend



Celtic myth

'I believe that the Ancient Celts were not so much discovered as gradually invented'



The record book

'Jack Nicklaus is way ahead of anyone else - his consistency almost defies belief'

Page I

Page IX

<http://www.FT.com>

FT Weekend



Beh, Mr Postman

'What kind of woman with money to spend on a new suit would choose to do so through the post?'



Snakes alive

'The easy part in cooking a snake is killing it - just snip off the head'

Page X

Page XVIII

World markets power ahead

US stocks jump as European bourses reach record highs

By Philip Coggan in London and Nancy Dunne in Washington

The bulls were rampant in the world's stock markets yesterday, as they have been for most of the past two months, taking leading indices to record highs.

Wall Street led the way, as the latest indications of subdued inflation confirmed investors' confidence that the world's leading economies remained firmly fixed on the virtuous path of moderate, sustainable growth.

Fears that the Federal Reserve would need to raise US interest rates when its open market committee meets next month have almost disappeared.

The Dow Jones Industrial Average, which jumped 135 points on Thursday, raced ahead at the start of trading yesterday. At around 3pm in New York, the Dow was about 80 points higher than 7,701.99, 22 per cent above its level on April 11 when its latest rally began.

"It is the best of all worlds for the financial markets. Without an interest rate rise in the US, liquidity will continue to be

Japan's growth Page 4
Long run of the bulls Page 6
London stocks Page 17
World stocks Page 21

pumped into the market," said Mr Ian Harnett, director of European strategy at NatWest Markets in London.

The favourable international background helped most other leading markets.

In the London stock market, which had also been given a lift during the week by record speculation - the FTSE 100 index hit a record intra-day high of 4,796 and a closing record of 4,783.1, a 25.7 point gain.

Meanwhile, optimism that European politicians can strike a deal to ensure that a single currency goes ahead buoyed continental stock markets.

Eight European bourses - Amsterdam, Brussels, Copenhagen, Dublin, Frankfurt, Paris, Stockholm and Zurich - hit record highs yesterday. In France, the CAC 40 index contin-

Wall Street leads the world

Dow Jones

Japan's growth

Page 4

Long run of the bulls

Page 6

London stocks

Page 17

World stocks

Page 21

FTSE 100

Page 4

Dax 30

Page 4

Source: Datamonitor

FTSE 100

Page 4

Dax 30

Page 4

Source: Datamonitor



ned its post-election rally, gaining 1.7 per cent to close at 2,808.52.

There were continued signs of recovery in Japan. Figures published yesterday indicated that the Japanese economy grew at a brisk 1.6 per cent in the first quarter of the year and by 3 per cent over the year to March.

In the 1970s and 1980s, whenever the world's leading econo-

mies were growing in unison inflation was not far behind. But there is little sign of it this time.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take profits if the Dow goes over 8,000," said Mr Michael Hughes, global strategist at Barclays de Zoete Wedd in London.

0.3 per cent. Inevitably, the pace of the rise of global markets is making some observers nervous.

"I have the feeling that the US market has been getting more speculative this week and prices are getting to the limit of value.

We will be suggesting that people take

NEWS: EUROPE

Rumasa saga ends on sweet note

By David White in Madrid

When the show was over, everybody was invited round to the Ruiz-Mateos place.

After an epic legal saga that began as Spain's biggest corporate crisis, here was Mr José María Ruiz-Mateos, back in his Madrid mansion, playing the dapper tycoon, being gallant with the ladies and handing out chocolates from one of the companies of his reconstructed business empire.

His acquittal on Thursday was the latest surprise in a battle that the 66-year-old businessman has managed to turn into a punch and Judy performance.

The 14 years since the government seized his Rumasa group have seen him on the run in London, in detention in Frankfurt, under house arrest in Madrid, spending a term in the European Parliament, performing political stunts dressed as Superman, and finally appearing for trial in a convict's costume.

A self-made man twice over, devotee of the lay Catholic organisation Opus Dei and father of 13 children, Mr Ruiz-Mateos was now celebrating victory over what he always saw as Socialist-inspired persecution. News of the acquittal came, he said, on the stroke of the midday Angelus bell.

A newly elected Socialist government swooped on Rumasa in February 1983, fearing its problems could rock the financial system. Over two decades Mr Ruiz-Mateos, starting from a family sherry business, had acquired troubled companies and banks, linked together in a deeply opaque relationship. The initial list of companies cited in the expropriation measure, ranging from insurance to construction, omitted many that were later discovered to belong to Rumasa, and included some which, it turned out, did not.

An audit showed accumulated losses of Pta346bn (\$2.4bn) and social security and tax debts of Pta44bn. The authorities put the cost of re-floating Rumasa companies, sometimes sold off for token sums, at Pta60bn. Mr Ruiz-Mateos' estimate is Pta3,000bn.

Although the constitutional court has ruled several times that the government was within its rights, he is seeking compensation. He stood trial with four colleagues in February on two falsification charges for which he was extradited from Germany 12 years ago. The court found there were indeed irregularities - double accounts, window-dressing at Rumasa banks, fake documents and non-payment of taxes. But either it was not clear who the culprits were, or, as the charges were formulated, the irregularities did not constitute criminal conduct as the law now stood. Definitions were changed in a reform by the last Socialist government.

Mr Joaquín Alzunza, a member of the cabinet which expropriated Rumasa, commented wryly yesterday that Mr Ruiz-Mateos had ended up being "absolved by a penal code which we invented ourselves".

PLACER DOME INC.



Rex McLennan
Steve Smith

The appointment of Rex McLennan to the position of Senior Vice-President and Chief Financial Officer of Placer Dome Inc. is announced by John Wilson, President and Chief Executive Officer. Mr. McLennan, 45, was Vice-President and Treasurer. A B.Sc. graduate in mathematics and economics from the University of British Columbia with an MBA from McGill University, he joined Placer Dome in 1991 after 11 years with a multi-national oil and gas company.

The appointment of Stephen J. (Steve) Smith, 43, to the position of Vice-President and Treasurer is announced by Mr. McLennan, effective June 1, 1997. Mr. Smith was Director, Treasury Operations, including Placer Dome's global hedging programme. He joined the Placer Dome Group in Sydney, Australia, in 1990 and moved to the corporate office in Vancouver in 1992 as Director, International Precious Metals Marketing. As Treasurer, he will be responsible for corporate finance, treasury operations, risk management and insurance, and group taxation.

Placer Dome is an international gold mining company based in Vancouver, Canada.

Bonn loses battle over its public banks

By Neil Buckley and Lionel Barber in Brussels



Germany has failed to have an amendment protecting the special status of its public sector banks included in the final draft of the new European Union treaty to be discussed at the Amsterdam summit on Monday.

It had wanted to enshrine in EU law the unlimited state guarantees enjoyed by its public banks,

to protect them from action by the European Commission. Brussels is under pressure from German private banks, which complain that the guarantees give public banks an unfair advantage.

EU officials suggested yesterday, however, that Germany might attempt to reinstate its amendment in the final treaty in return for concessions in other areas - or in a form limited to savings banks, excluding the more controversial Landesbanken.

Alternatively, Germany might seek to extend to its public banks a French-proposed article recognising the special role of "services

of general economic interest" - such as the post office or utilities.

The French amendment has been included in the final draft, calling on EU members and institutions to "take care that [public services] operate on the basis of principles and conditions which enable them to fulfil their missions".

The German and French proposals were two among a sometimes bizarre cocktail of proposed amendments ranging from animal welfare and voluntary services to sport and public broadcasting.

The Dutch presidency accepted the wish-list after national gov-

ernments argued it would foster the image of a "People's Europe" at Amsterdam. But the amendments reflect the power of special interest groups over national governments desperate to avoid a repeat of the debacle over the 1992 Maastricht treaty, which scraped through ratification in Britain, Denmark, France and Germany.

"These people have been bearing the heat out of foreign ministers in the past 10 days," said one EU official.

Other European diplomats said that around 30 protocols - which have legal force - and 20 political declarations were still on the table earlier this week.

tions when important questions affecting sport are at issue" has made it into the final draft.

A protocol pushed by powerful lobbyists in Belgium with Dutch support to exempt public service broadcasters from EU competition rules, appears in the final draft but in a watered-down form which competition officials suggested yesterday was acceptable.

Also in the final draft are British-driven provisions on animal welfare, partly triggered by animal rights activists who blocked roads and ports in protest at the transport of livestock for slaughter on the continent.

Output up 8.2% as Italian economy turns the corner

By Robert Graham in Rome

The Italian economy has at last bottomed out but still remains behind the cycle of its main European partners.

The turnaround was apparent yesterday in figures from Istat, the official statistics institute, showing industrial production in April up 8.2 per cent on a year earlier. Average daily output was 3.9 per cent higher.

This was the best performance since the first quarter of 1986. Compared to March, April production was up 0.7 per cent, the fourth consecutive rise since the start of the year. Nevertheless, output in the first four months of the year was 1.4 per cent down on the same period in 1996.

The industrial picture was

refreshed earlier this week by the latest bulletin from Confindustria, the industrialists' confederation, which talked of signs of a "timid" recovery in the second quarter. However,

the bulletin warned that demand remained fragile. The main push has come from the government's incentive scheme, introduced in January, for car-owners to trade-in old vehicles. The scheme has encouraged far more people than expected to buy new vehicles; new registrations are up more than 40 per cent this year. In the first five months, a total of 347,000 cars were traded-in for scrapping.

Istat said yesterday that April's industrial production figures showed for the first time the impact of this increased demand for cars, because stocks were being drawn down in the first quarter.

The automotive sector witnessed a jump of almost 15 per cent against April last year. The incentive scheme

ends in September, but if the overall recovery looks patchy, the government may be obliged to extend it.

The government is expecting the economy to grow by 1.2 per cent this year. However, growth was negative in both the first quarter of 1996 and the first of this year, technically placing the economy in a recession.

The government is convinced the worst is now over and that there will be a pick-up in the second half of the year.

Much will depend on whether consumers begin spending and whether exports can gather momentum. On Thursday Mr Antonio Fazio, governor of the Bank of Italy, warned that the government's target of 2 per cent growth for 1998 was on the optimistic side.

Long wait for pensions nears end in Russia

By Chrystia Freeland in Moscow

The Russian finance ministry is on track to fulfil President Boris Yeltsin's ambitious and emotional vow to pay a crippling \$4bn pension backlog by July 1, a senior official said.

Paying the overdue pensions, whose delay has reduced millions to poverty, would be a significant victory in the Kremlin's effort to convince a weary populace that the economic situation is finally improving.

The pay-off, which the government hopes to achieve largely by squeezing taxes from the country's biggest corporations, would also help persuade doubters that the reform team brought into the cabinet in March was beginning to resolve Russia's public finance crisis.

"We will definitely pay our Rbs23,000bn [\$4bn] pension debt by July 1," said Mr Alexei Kudrin, the deputy finance minister, who is closely allied with Mr Anatoly Chubais, Russia's first deputy prime minister and architect of the country's market reforms.

The government has repeatedly broken promises to pay the pension backlog. But Mr Kudrin's pledge has greater credibility because

his ministry has a clear idea of how it will collect the required billions over the next two weeks.

The biggest contributor, Mr Kudrin said, would be Gazprom, Russia's natural gas monopoly, a company which has often seemed more powerful than the state itself. But Mr Kudrin was "absolutely certain" Gazprom would complete paying off a \$1bn tax debt by the end of next week.

He warned that the company's management, which has already largely missed a June 10 deadline, would face serious penalties if they failed to make the payment. Adding to the government's leverage is a Gazprom shareholders' meeting, scheduled for June 23, at which the state, as owner of a 40 per cent stake, could apply significant pressure.

Before the end of the month the finance ministry also expects United Energy Systems, the national electricity company, and the rail ministry to contribute to the Rbs1,000bn in tax payments to the federal kitty.

From further afield Mr Kudrin is counting on international financial institutions and foreign investors to pay a part of the pension bill. Funds are also expected to flow from the World Bank and a eurobond offering.

More broadly, Mr Kudrin said the government was making progress in improving tax collection, although revenues so far this year had been 35 per cent below budget expectations. Collection had been 50 per cent higher in the second quarter of the year than in the first.

Mr Kudrin, known as the "Father of the Nation" who rebuilt Croatia with sweeping pro-market reforms after the 1991 war of independence, is challenged by Mr Vlado Gotovac, a poet and former nationalist dissident who leads the Social Liberal party, and Mr Zdravko Tomac, a former Communist and deputy leader of the Social Democrats.

Tudjman heads for new term

Mr Franjo Tudjman is expected to sweep aside an ineffectual opposition and win another five-year term in Croatia's presidential election tomorrow. This is despite accusations of corruption and abuse of power levelled against his governing Croatian Democratic Union, writes Guy Dumore in Belgrade. Open US criticism of Mr Tudjman for his government's failure to ensure the peaceful reintegration of Serbian refugees is thought more likely to boost his prestige in the eyes of a fiercely nationalist electorate.

While Mr Tudjman, 75, is confident of securing well over the necessary 50 per cent of votes in the first round, doubts surround his health following his treatment for stomach cancer in the US last year. Opposition politicians are manoeuvring in anticipation of the fresh elections that would be held in the event of the president's death or incapacity.

Mr Tudjman, known as the "Father of the Nation" who rebuilt Croatia with sweeping pro-market reforms after the 1991 war of independence, is challenged by Mr Vlado Gotovac, a poet and former nationalist dissident who leads the Social Liberal party, and Mr Zdravko Tomac, a former Communist and deputy leader of the Social Democrats.



A crowd cycles past a Tudjman election campaign poster in the capital, Zagreb

Tudjman heads for new term

Mr Franjo Tudjman is expected to sweep aside an ineffectual opposition and win another five-year term in Croatia's presidential election tomorrow. This is despite accusations of corruption and abuse of power levelled against his governing Croatian Democratic Union, writes Guy Dumore in Belgrade. Open US criticism of Mr Tudjman for his government's failure to ensure the peaceful reintegration of Serbian refugees is thought more likely to boost his prestige in the eyes of a fiercely nationalist electorate.

While Mr Tudjman, 75, is confident of securing well over the necessary 50 per cent of votes in the first round, doubts surround his health following his treatment for stomach cancer in the US last year. Opposition politicians are manoeuvring in anticipation of the fresh elections that would be held in the event of the president's death or incapacity.

Mr Tudjman, known as the "Father of the Nation" who rebuilt Croatia with sweeping pro-market reforms after the 1991 war of independence, is challenged by Mr Vlado Gotovac, a poet and former nationalist dissident who leads the Social Liberal party, and Mr Zdravko Tomac, a former Communist and deputy leader of the Social Democrats.

the common view on what priorities should be," he told the FT.

The agreement with the US, to be finalised next week, requires approval from the EU Council of Ministers but not from the US Congress. The accord with the US could save telecoms and information technology businesses \$1.37bn a year.

"It's a remarkable achievement," said Sir Leon Brittan, the EU commissioner who negotiated the treaty. "It will make existing business cheaper and encourage companies to expand into new markets and new products."

Technical standards have become the main barrier to trade since the reduction of trade tariffs and are used at times for protectionism rather than for meeting safety concerns. High tech-

years to conclude. Sir Leon blamed delays in part on objections from the semi-independent US Food and Drug Administration against devolution of its authority for testing goods. In a compromise the FDA will retain a limited right to inspect European certifications for health products.

Unlike Canada, the US also requested a limit on a range of medical devices covered under its agreement. High-risk equipment such as heart pacemakers and kidney dialysis machines are not included.

The Europeans conceded more, without a doubt," said Mr Egil Hilt, a consultant for the European negotiators on medical devices. "There was a lot of political pres-

Italy to probe torture claims

By Robert Graham

Italy is setting up a special commission to investigate the abuse of civilians by Italian soldiers during their international humanitarian mission in Somalia in 1993.

President Oscar Luigi Scalfaro is also convening a special session of the supreme defence council next week to examine the role of the Italian military overseas.

The moves have been prompted by the publication of a series of shocking photographs. These included pictures of paratroopers attaching electrodes to a naked Somali man and the rape of a Somali woman tied to an armoured personnel carrier.

The photographs of Italian soldiers abusing Somalis first appeared last week in Panorama, one of the country's two main weekly magazines. They were taken by a young paratrooper and had apparently been on the market for some time.

The soldier confirmed he was present as colleagues attached electrodes to the testicles of a Somali "under interrogation". He described in detail torture practices, some reportedly on the advice of doctors and officers.

This immediately prompted an investigation by a military magistrate, who has since passed much of the material to a civilian colleague. The defence ministry also announced it was conducting an internal review.

Initial suggestions that the photographs represented isolated behaviour in difficult circumstances during the ill-fated Somalia mission have been overturned by a fresh batch published yesterday by Panorama. These, too, were accompanied by grim accounts of torture, including the sadistic rape of a Somali woman using a military flare.

The government is anxious to act quickly to limit the damage. The most important reason is that Italy is currently heading a very difficult military-led mission in Albania while also present in Bosnia.

In Albania, the impartiality of Italian troops towards the local population cannot be called into question or the mission risks being undermined. Italy also prides itself with a light touch in promoting good relations between military and local people during international humanitarian missions.

The affair is forcing the government to take a closer look at the workings of the military, which has always been left to its own devices as a trade-off for being given a low budget and indifferent weaponry.

US concern over Turkey

EUROPEAN NEWS DIGEST

Mrs Madeleine Albright, the US secretary of state,

yesterday signalled high-level concern about the political crisis in Turkey by saying it was very important for the country to continue "in a secular, democratic way". The US administration was "watching the situation very carefully" as a stand-off between the Islamist-led government and the traditionally secular military intensified.

"It's very important that whatever issues are going on there... they have to be within the democratic context with no extra-constitutional approach," said Mrs Albright, in an implicit warning that the US would not welcome direct intervention by the army. Turkey's military has taken over the reins of government several times this century.

US officials acknowledge privately that army intervention would be particularly unwelcome at a time when Nato is embarking on an expansion programme that is supposed to spread western ideas about civilian control of the military.

Bruce Clark, Washington

Vote backs 'cyber sheriffs'

Germany's multimedia bill, the first attempt by any country to introduce internet "cyber sheriffs" to protect the young against illegal material, was approved yesterday by the lower house of parliament. Mr Jürgen Rüttgers, minister for education, science and technology, said the legislation "created urgently needed framework conditions for the development, marketing and use of multimedia".

The bill has worried some in the industry, particularly foreign companies, because of the responsibilities put on service providers to deal with illegal or corrupting material. The opposition Social Democratic party abstained in yesterday's vote, raising hopes that the bill will be approved by the second chamber of parliament, which it dominates.

Ralph Atkins, Bonn

Key decision on Iri delayed

The Italian government has had to postpone until next week a crucial decision on the future management and strategy of Iri, the large state holding company. A decision had been due yesterday but serious differences within the government forced a delay.

The treasury is determined to replace the chairman, Mr Michele Tedeschi, whose three-year mandate expired yesterday, with a chief executive who will accelerate the sell-off of Iri's assets. But Mr Romano Prodi, prime minister and a former Iri chairman, is reluctant to remove him. Mr Tedeschi himself has ruled out a compromise under which he would have a more limited brief with a short mandate.

Robert Graham, Rome

Albania signs oil deal

Albania has signed its first oil exploration agreement with a foreign company since civil unrest swept the country in March. The deal was signed in London on Thursday by Mr Kastriot Shylla, the mineral and energy resources minister, and representatives from the UK explorer Premier Oil and the Hungarian oil company MOL. It covers an area in the south of the country.

Mr Shylla said most foreign oil operations in Albania remain suspended, although EN

Head of former genocidal regime alleged to have executed military chief and family

Troops sent north as Pol Pot 'takes flight'

By Ted Bardecker
in Bangkok

Cambodia's government sent 2,000 troops to the Khmer Rouge's northern stronghold yesterday amid reports that the genocidal Maoist movement was tearing itself apart.

Pol Pot, the fanatical Khmer Rouge leader who presided over the deaths of up to 2m Cambodians in the late 1970s, was said to have returned to his murderous ways, slaughtering his defence chief Son Sen, his wife and their nine children.

According to Prince Norodom Ranariddh, Cambodian co-premier, the Khmer Rouge leader crushed their

heads with a pick-up truck.

The catalyst for the latest troop movements was the prospect that Pol Pot's rebel

group - still holed up in the jungles in the north - may finally be collapsing.

Secret negotiations, facilitated by Thailand between the Cambodian government and the nominal Khmer Rouge leader, Khieu Samphan, to end more than three decades of fighting, had reached an advanced stage with Pol Pot's blessing, diplomats say.

Suddenly the negotiations stalled.

A condition for surrender was that Pol Pot and Son Sen would be allowed to go into exile. But no one wants to play host to Asia's most notorious ex-dictator, at least not publicly. Rumours that they would live out their days in Thailand or

China, both of which supported the Khmer Rouge until a few years ago, have been denied.

North Korea, through the intervention of Cambodian King Norodom Sihanouk, whose personal protection force is a phalanx of North Korean commandos presented to him by the late Kim Il Sung, could have been a possibility.

But dictatorial politics being what they are, King Sihanouk, now convalescing in his Beijing residence, does not enjoy the rapport with Kim the son as he did with Kim the father.

According to Prince Ranariddh, a man who has been known to spin a tale, Pol Pot accused Son Sen of wanting

to try to make a better deal with Cambodia's other prime minister, Mr Hun Sen, who is known in Khmer Rouge circles as "the one-eyed Vietnamese puppet".

This was apparently enough of a betrayal to prompt the mass execution reported by the prince.

If the prince is to be believed, fighting between groups loyal to Pol Pot and Son Sen has now erupted in the Khmer Rouge stronghold of Anlong Veng, with Pol Pot kidnapping Khieu Samphan and heading off into the jungle with 200 of his most trusted supporters.

The conflict mirrors the fighting that goes on between Cambodian government forces controlled by

Prince Ranariddh and Mr Hun Sen.

"I would like to inform you that Khmer Rouge problems in Anlong Veng are reaching a level of complexity that we cannot understand," Prince Ranariddh said.

One Asian diplomat suggested that these intrigues and plots could actually serve as a smokescreen for the negotiated escape of Pol Pot and friends to Pattaya, the Thai beach-side resort notorious for harbouring international criminals, where Khmer Rouge leaders wined and dined throughout the 1980s.

"That's the best place, because this all sounds too fishy," he said.

INTERNATIONAL NEWS DIGEST

US tax cuts are approved

An \$85bn tax-cutting package was approved yesterday by an influential committee of US legislators but its chairman, Mr Bill Archer, suffered a setback over plans to tax businesses, including casinos, on Indian reservations. The ways and means committee approved the package as President Bill Clinton signed into a law an \$8.9bn disaster relief programme after successfully persuading the Republicans to remove extraneous amendments. The committee rejected a proposed federal tax on gaming in tribal lands, which raised sensitive constitutional issues, and decided instead to raise fees on the arrival and departure of international flights by more than expected.

The fee, currently \$6 per passenger, will rise to \$15.50 instead of \$10 as Mr Archer, a Texas Republican, had suggested. As approved by the committee, the tax-cutting bill retains the controversial abolition of the subsidy on ethanol, a corn-based fuel. The 5¢ cent-per-gallon subsidy has been strongly opposed by the oil lobby but supported by farmers.

Bruce Clark, Washington

Jerusalem vote is criticised

Arab leaders have sharply criticised the US House of Representatives' decision to affirm Jerusalem as the undivided capital of Israel and provide \$100m for its embassy to be relocated from Tel Aviv to Jerusalem by May 1999. King Hussein of Jordan and President Hosni Mubarak of Egypt said the US vote could escalate tension and complicate the crisis in the peace process, at a standstill since March when Israel started building a settlement at Har Homa in east Jerusalem.

King Hussein, attending the International Labour Organisation's annual conference in Geneva, said it was "very sad, very unfortunate that such a decision should have emanated from the United States at this particular point in time. To prejudge the issue in this way is not very constructive".

The future of Jerusalem is supposed to be left until the final status talks. With the exception of Costa Rica and El Salvador, all embassies are in Tel Aviv as the international community has never accepted Israel's annexation of East Jerusalem.

President Bill Clinton said the vote, 406-17, would hurt the peace process between Israel and the Palestinians. But diplomats said the Clinton administration was fast losing credibility as an honest broker in the Israeli-Palestinian peace talks, given its recent refusal to support a UN resolution condemning the Har Homa settlement.

Judy Dempsey, Jerusalem

Palestinians to get \$33.5m

The World Bank has agreed to allocate \$33.5m to the Palestinian Authority for water, sanitation, legal development and a programme for Palestinian expatriate professionals. In addition, final approval for a \$90m replenishment of the World Bank's \$20m Trust Fund for Gaza and the West Bank, from which the bank's projects in the region are funded, was also agreed.

During a meeting, donors expressed concern that some of their contributions may have been misappropriated following a report by the Authority's auditing and monitoring department of alleged squandering of \$36m in public funds last year. The World Bank said it was waiting for the outcome of an investigation ordered by Mr Yassir Arafat, the Palestinian leader.

Judy Dempsey

Super jumbo 'too expensive'

Cathay Pacific turned down a proposal from Boeing of the US to build a 550-seat "super jumbo" because the planned aircraft was too small and too expensive to operate, Mr David Turnbull, managing director of the Hong Kong-based airline, said yesterday.

Mr Turnbull told the FT aerospace conference in Paris that he wanted a 650-seat aircraft to fly from Hong Kong to Japan, the US west coast, London, Frankfurt, Sydney, Singapore and Bangkok. He said such an aircraft would have to be 15 per cent cheaper to operate, per mile per seat, than the existing 400-passenger Boeing 747-400. He said the 550-seater Boeing was offering would have been 8-10 per cent cheaper to operate.

Boeing shelved plans to build the 550-seater earlier this year on the grounds that there was insufficient demand from airlines. The US manufacturer said this week that it was considering building a 460-seat jet instead. However, Mr Turnbull predicted that both Boeing and Airbus Industrie, the European consortium, would eventually build aircraft larger than this.

Michael Skapinker, Paris

Japan unveils Big Bang plans

The Japanese government yesterday unveiled a blueprint for the reform of financial markets that provides the first timetable for its "Big Bang" deregulation programme.

The sweeping reforms call for the removal of barriers between banks, brokers and insurers to boost competition and bring Japan's markets into line with global standards. The timing is faster than many participants had expected. Although Japan's prime minister, Mr Ryutaro Hashimoto, had pledged to implement the programme by 2001, yesterday's proposals envisage most of the change occurring within the next two or three years. By April 1998, for example, brokerage commissions for transactions over Y50m (\$62,000) will be liberalised, with complete liberalisation planned during 1999.

During fiscal 1999 the limits on the range of business activities by securities firms' trust bank subsidiaries and banks' securities units will also be lifted. Restrictions on the design of derivatives products will be lifted in 1999.

Gillian Teu, Tokyo

Japanese to attend HK event

Mr Ryutaro Hashimoto, the Japanese prime minister, yesterday announced that Japan will attend the inauguration of the new Hong Kong government, despite a boycott by the US and Britain.

Japan's decision, after several days of agonising by the foreign ministry, is the latest example of an independent Japanese policy on relations with Hong Kong following the handover from UK to Chinese rule at the end of the month.

William Dawkins, Tokyo

China sacks bankers for speculating

By James Harding
in Shanghai

The Chinese government has lashed out at several leading financial institutions, sacking managers and barring some securities firms from the stock markets as punishment for illegal share speculation.

The People's Bank of China, the central bank, has ordered the dismissal of some of the most senior figures in Chinese finance after an investigation disclosed that a number of banks and brokerages were involved in systematic breaches of banking law to fund speculative share buying.

Beijing also confirmed yesterday that the head of the China Securities Regulatory Commission had been replaced, an indication of how frustrated the leadership has become with the CSRC's ineffectual attempts to rein in what they see as overheated markets.

The crackdown on the Shenzhen Development Bank, China's only domestically listed bank, and three of the leading brokerages in China comes just a week after Beijing prohibited state banks from investing in the stock markets in a bid to cool speculation.

The central bank issued a statement saying the Shenzhen Development Bank and its president had been "severely punished for violating securities market rules".

The announcement, carried on the front pages of China's official newspapers yesterday, said the Shenzhen Development Bank had used Ym31m (\$37.5m) to speculate on its own stocks between March 1996 and April this year, illegally making Ym90.3m.

Mr He Yun has been

forced to step down as president and denied access to the financial and securities markets for five years.

The bank has been fined and illegal profits confiscated.

The authorities have also removed the president of Shenyang & Wangguo Securities, China's largest brokerage, as well as the heads of two other leading firms, Haitong Securities and China Everbright Securities, for illegally obtaining funds from banks to trade in the stock markets.

The brokerages have been fined and suspended from stock trading for a year.

The firms used the funds to speculate in some of the most prominent stocks on the Shanghai market - Shanghai Lujiazui Finance and Trade Zone Development, Shanghai Petrochemical and Shenzhen Nanyou Property Development.

The chairman and chief accountant of Guangshen (Guangzhou-Shenzhen) Railway Stock, a Hong Kong-listed company, were also dismissed, following an investigation which found that the company illegally redirected a Ym300m investment into stock speculation.

Another victim of the cull was the head of the Shanghai branch of the Industrial and Commercial Bank of China.

Mr Shen Ruolei, president of ICBC Shanghai, was dismissed after illegally lending more than Ym to local securities firms to speculate in stock markets.

Separately, the CSRC told Reuters that Mr Zhou Zhengguang, chairman of the Securities Commission of the State Council, had replaced Mr Zhou Daoqiong, former CSRC head.

Irish president expected to be outspoken critic of abuses

Robinson to lift profile of UN's human rights work

By Frances Williams
in Geneva

Irish President Mary Robinson, newly appointed United Nations Commissioner for Human Rights, is expected to be a far more outspoken critic of abuses than her predecessor, Mr José Ayala Lasso.

Mr Ayala Lasso, a cautious career diplomat who left in March to become Ecuador's foreign minister, came in for harsh criticism for his low-profile approach which produced meagre results.

But Mrs Robinson, formerly a prominent human rights lawyer who has made support for human rights a feature of her presidency, has no powers against human rights violations other than moral suasion, bad publicity and the ear of Mr Kofi Annan, UN secretary-general. The 1995 UN general assembly resolution that created the post refused to give the high commissioner investigative powers after objections from developing countries.

Not does she have control over the UN Human Rights Commission, the 53-nation body that meets for six weeks each spring in Geneva to scrutinise human rights around the world. It is the Commission, not the high commissioner, which has the authority to appoint special investigators or despatch missions.

At the same time, Mrs Robinson, who has never held an important executive post, also has the task of streamlining the disparate UN human rights machinery and supervising the cash-strapped Geneva centre which runs the UN's field operations.

The new commissioner's second advantage is that when she takes up her post later this year the painful restructuring of the centre will have been completed by Mr Ralph Zacklin, deputy UN legal counsel, who was parachuted in on Mr Ayala Lasso's departure and is due to return to New York next month.

The centre set up originally to service the various human rights bodies - the

Human Rights Commission and the committees dealing with specific UN human rights conventions such as the rights of the child or torture - has been reorganised to cope with proliferating demands for human rights action on the ground.

Earlier this year Mr Fall was shifted to the political affairs department at UN headquarters in New York.

The new commissioner's second advantage is that when she takes up her post later this year the painful restructuring of the centre will have been completed by Mr Ralph Zacklin, deputy UN legal counsel, who was parachuted in on Mr Ayala Lasso's departure and is due to return to New York next month.

The centre set up originally to service the various human rights bodies - the

Human Rights Commission and the committees dealing with specific UN human rights conventions such as the rights of the child or torture - has been reorganised to cope with proliferating demands for human rights action on the ground.

Earlier this year Mr Fall was shifted to the political affairs department at UN headquarters in New York.

The new commissioner's second advantage is that when she takes up her post later this year the painful restructuring of the centre will have been completed by Mr Ralph Zacklin, deputy UN legal counsel, who was parachuted in on Mr Ayala Lasso's departure and is due to return to New York next month.

The centre set up originally to service the various human rights bodies - the

Human Rights Commission and the committees dealing with specific UN human rights conventions such as the rights of the child or torture - has been reorganised to cope with proliferating demands for human rights action on the ground.

The new commissioner's second advantage is that when she takes up her post later this year the painful restructuring of the centre will have been completed by Mr Ralph Zacklin, deputy UN legal counsel, who was parachuted in on Mr Ayala Lasso's departure and is due to return to New York next month.

The centre set up originally to service the various human rights bodies - the

Human Rights Commission and the committees dealing with specific UN human rights conventions such as the rights of the child or torture - has been reorganised to cope with proliferating demands for human rights action on the ground.

The new commissioner's second advantage is that when she takes up her post later this year the painful restructuring of the centre will have been completed by Mr Ralph Zacklin, deputy UN legal counsel, who was parachuted in on Mr Ayala Lasso's departure and is due to return to New York next month.

The centre set up originally to service the various human rights bodies - the

Human Rights Commission and the committees dealing with specific UN human rights conventions such as the rights of the child or torture - has been reorganised to cope with proliferating demands for human rights action on the ground.

The new commissioner's second advantage is that when she takes up her post later this year the painful restructuring of the centre will have been completed by Mr Ralph Zacklin, deputy UN legal counsel, who was parachuted in on Mr Ayala Lasso's departure and is due to return to New York next month.

The centre set up originally to service the various human rights bodies - the

Human Rights Commission and the committees dealing with specific UN human rights conventions such as the rights of the child or torture - has been reorganised to cope with proliferating demands for human rights action on the ground.

The new commissioner's second advantage is that when she takes up her post later this year the painful restructuring of the centre will have been completed by Mr Ralph Zacklin, deputy UN legal counsel, who was parachuted in on Mr Ayala Lasso's departure and is due to return to New York next month.

Malaysia's trade swings into steep deficit

By James Kyng
in Kuala Lumpur

Malaysia announced a hefty trade deficit for the month of April yesterday as exports declined sharply for the first time this year. The news drove the stock market down by 2 per cent and put selling pressure on the ringgit.

The deficit totalled M\$2.1bn (\$840m) after a M\$1.75bn surplus in March. Exports dropped 16.2 per cent month-on-month to M\$15.7bn, mostly due to falls in oil and commodity exports. Figures for the all-important electronics sector were not supplied.

Imports rose 5.1 per cent to M\$17.8bn, mainly due to purchases of aircraft, ships and floating structures for the oil industry. Imports of capital goods are expected to remain strong this year, analysts said.

Economists said that although one month's figures were insufficient to make a judgment on a general trend, the fall in exports added new concern to an already worsening outlook.

Many economists are forecasting a modest slowdown for the economy later this year and in 1998, and there is much debate over to what extent a property glut which is expected to materialise

next year will depress the wider economy.

The country's trade deficit, an important component of the larger current account deficit, has been seen as a key barometer of economic health. The current account deficit last year narrowed to M\$1.5bn, or 5.5 per cent of gross national product, from M\$18.6bn, or 9 per cent - considered a worrisome level.

The cumulative deficit for the first four months of the year was M\$10.5bn, a substantial improvement over the M\$1.5bn deficit in the same period of 1996. How-

</

NEWS: INTERNATIONAL

Spending rush lifts Japanese growth

By William Dawkins in Tokyo

A consumer spending rush to beat a sales tax rise in April helped the Japanese economy grow by 1.6 per cent in the first three months of 1997, against last year's opening quarter.

The growth was slightly faster than the markets had expected, bringing the rise in GDP for the fiscal year to March to 3 per cent, half a percentage point above the government's target.

The data, released by the government's Economic Planning Agency yesterday, are likely to be used by Mr Ryutaro Hashimoto, prime minister, to try to counter criticism at next week's Group of Seven summit in Denver that Japanese growth is too reliant on



mists do not believe a rise in the Bank of Japan's official interest rate is imminent.

The rate, at a record low, has been held at 0.5 per cent since September 1995. Inflation remains non-existent, with the GDP deflator, an indicator of prices, at zero.

"This confirms that the economic recovery is increasingly sustainable, but the Bank of Japan should not be in any hurry," said Mr Jesper Koll, head of economic research at J.P. Morgan Securities Asia.

Economic growth is widely expected to have eased since March, as the rise in sales tax from 3 per cent to 5 per cent hits consumers' pockets. This has already been confirmed by a fall in household spending in April, after the closure of the first quarter.

However, Tokyo econo-

micists do not believe a rise in the Bank of Japan's official interest rate is imminent.

The rate, at a record low,

has been held at 0.5 per cent

since September 1995. Infla-

tion remains non-existent,

with the GDP deflator, an

indicator of prices, at zero.

"This confirms that the economic recovery is increasingly sustainable, but the Bank of Japan should not be in any hurry," said Mr Jesper Koll, head of economic research at J.P. Morgan Securities Asia.

Economic growth is widely

expected to have eased since

March, as the rise in sales

tax from 3 per cent to 5 per

cent hits consumers' pockets.

This has already been

confirmed by a fall in house-

hold spending in April, after

the closure of the first quar-

ter GDP account.

Nevertheless, most private

sector economists believe

Japan can exceed its official

target of 1.9 per cent expen-

ture in GDP in the current

fiscal year.

More optimistic forecast-

ers, such as Mr Richard Wer-

ner, chief economist at Jard-

ine Fleming Securities in

Tokyo, believe growth could

be as high as 2.5 per cent in

the 12 months to next

March. Within the first quar-

ter's 1.6 per cent growth,

domestic demand contribut-

ed 1.5 per cent.

Net exports accounted for

the remaining 0.1 per cent,

the first signs of an overseas

sales drive which produced a

controversial rise in the

April trade surplus, announced earlier this week.

Private consumption, rep-

resenting 60 per cent of the

economy, rose by 4.6 per

cent in the opening quarter,

compared with last year's

period, more than twice as

fast as in the previous three

months. Other components, however, point to slightly

less robust expansion.

The decline in public sec-

tor investment, for example,

accelerated sharply to 13.9

per cent in the three months

to March, a consequence of

the run-down of earlier fiscal

stimulation packages.

Growth in residential

investment eased to 5.4 per

cent, less than a third of the

rate in the previous quarter.

Corporate capital investment

stayed roughly unchanged at

6.5 per cent, although this

was high enough to support

general growth late in the

year and was unlikely to be

hit by the tax rise, said Mr Wer-

ner. But overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

and tax hikes will hit real

consumption," warned Mr Wer-

ner. Overall, fixed

investment fell 1.5 per cent

in the previous quarter.

The autonomous compo-

nents of growth are weak

h Plan to w
tax base
in Pakista

US-owned freight group believes customers may sign up with cross-Channel ferries

EU delay raises fears over rail business

By Charles Batchelor,
Transport Correspondent

The European Commission's delay in ruling over the sale of British Rail's Channel tunnel freight business has raised fears that customers will sign long-term contracts with ferry companies instead.

English Welsh & Scottish Railway, the US owned freight group, has bought the loss-making service but fears it will suffer further decline.

It believes that customers who need to ship goods across the Channel, between England and

France, will sign contracts with ferry companies because of uncertainty over the future of BR's Railfreight Distribution. Staff morale has also begun to suffer.

EWS was confirmed as the purchaser of the RD operation by the British government three months ago but has been waiting for clearance from Brussels.

"The date for the completion of the RD sale has slipped again following a request for further information from the transport directorate of the European Commission," EWS said in a letter to staff.

The letter said EWS was "extremely

ing pressure on BR, the government and the European Commission to conclude their deliberations".

EWS is understood to be annoyed that it was put under strong pressure by the British government to complete the deal in advance of last month's general election only to find it is facing delays in Brussels. It now fears a decision will have to wait until after the summer break.

"The delay is bad news for everyone who would like to see more goods transported by rail in this country," said Mr Mika Sweet,

development director at Tibbett & Britten, a UK distribution company which has been expanding its rail-based business. "The synergies created by EWS's acquisition of RD offer the very real prospect of service improvements and more competitive rail freight. The longer we wait for the European Commission the longer it will be before such benefits can be realised."

The acquisition ran into difficulties in Brussels after the French Railways SNCF, Transfrance, a Spanish freight operator, and Freightliner, a UK rail container group, complained about sweeteners offered by the UK government to complete the sale.

BR wrote off £300m (\$489m) of investments in RD's locomotives, wagons and freight terminals and provided £220m to cover 10 years' worth of minimum usage payments to Eurotunnel for the use of "slots" in the Channel tunnel timetable. RD made a loss of £53m on turnover of £70m in 1995-96.

The European Commission said it was continuing its review to see whether the deal contravened European law on state aid. It denied that EWS had been given a deadline for a decision to be taken.

UK NEWS DIGEST

PFI 'to be reinvigorated'

The government will announce "the way forward" for the private finance initiative on June 23, Mr Geoffrey Robinson, the minister responsible for the policy, said yesterday. Mr Robinson was speaking after receiving the results of a review of PFI, which aims to boost involvement of the private sector in public sector projects. The review, he said, would lead to decisions on action to "see school, hospital, transport and a host of other high quality projects become reality".

Mr Robinson said he would deliver "swift, decisive action to reinvigorate the private finance initiative". While Mr Bates was preparing his review, he said, the Treasury had taken urgent steps to help PFI improve its potential. Action taken included abolishing the requirement that public sector capital schemes be tested for PFI potential to "stop the system gumming up with hopeless projects".

■ COMMERCIAL PROPERTY

Most companies still optimistic

A majority of companies in all sectors except energy and water are still positive about the commercial property market, but are less enthusiastic than six months ago, research shows. According to a survey by the Confederation of British Industry and Grimley, the international property advisers, 23 per cent of companies expect to expand their property holdings over the next six months with 22 per cent planning to reduce them and the remainder unchanged. However, the positive balance of 1 per cent is well down from the 21 per cent figure recorded for the same survey six months ago. The new study found that the actual net increase in property holdings over the first half of this year was 6 per cent, substantially below expectations.

Mark Suckman

■ ROLLS-ROYCE

Engines order brings in \$40m

Rolls-Royce Aero Engines has won an order for engines worth \$40m after a consortium involving Rolls-Royce was awarded the contract for the domestic UK airline British Midland's new fleet of Airbus planes. An international consortium comprising Rolls-Royce, Pratt & Whitney, Japanese Aero Engines Corporation and MTU Daimler-Benz has won a contract to supply V2500 engines for British Midland's new fleet of 20 Airbus planes, the Department of Trade and Industry said. It is the largest order made by a British airline for Airbus, with the first planes due for delivery next spring.

■ AIRPORTS

BAe development plan fails

British Aerospace yesterday lost its High Court attempt to resurrect plans to develop Filton aerodrome near Bristol in the west of England into a commercial airport. A judge dismissed the company's challenge to the decisions made by the transport and environment secretaries in the last government to refuse planning permission. British Aerospace had intended a limited development of the 400-acre site which is currently used for Concorde pleasure flights. Its plans involved restricting commercial usage to 23,000 flights a year.

John Mason



Helen Liddell does not want to scare the City about further reforms

Tough and tender towards the reform of regulation

Mrs Helen Liddell, economic secretary to the Treasury, is not amused by the suggestion that her upbraiding of companies that mis-sold personal pensions was merely for show. "I have said I will personally chase this matter, and they doubt me at their peril," the minister says.

Mrs Liddell, a formidable former secretary of the Scottish Labour party, has no compunction in demonstrating her capacity for force. "She can be charming, but essentially she is a tough operator with a record of getting things done," says a Scottish Labour MP.

She showed it within days of her unexpected appointment by confronting 20 senior directors of pension companies. Yet, as minister handling the biggest upheaval in City regulation for a decade, she must also show her understanding side to some nervous and uncertain financial institutions.

The decision by Mr Gordon Brown, the chancellor, to choose the most radical option for reform of regulation means the minister must also reassure the City. As banking supervision moves to a new "super" Securities and Investments Board, there are fears of what the upheaval will bring.

In an interview, Mrs Liddell is at pains not to scare the City further about the prospect.

In spite of criticism by Labour members of the Treasury committee about the Bank's style of banking supervision, she insists that there is no need for radical

Liddell gets things done but can also be charming, write John Gapper and David Wighton

change when the new SIB takes over.

"The personalities and regulatory techniques will not be changed. The people have been extremely able and focused," she says. Yet she also says that a more aggressive style of regulation at organisations such as Imre could be preserved in the new SIB.

"For different types of financial product and market, you need a different type of regulation," she says. It might not be easy to achieve within a single body, but Mrs Liddell has faith in the ability of Mr Howard Davies, who will head the new body, to preserve traditions of value.

"The government cannot manage an organisation. That is why it is so important and positive that Howard Davies has taken this post," she says. She insists that, as a former chief executive of the Business Venture Programme, she understands the value of enterprise and independent management.

Mrs Liddell's views on what will be done by the Bank, and what by SIB are not entirely clear. It is not certain how the Bank and SIB will split the Bank's role as City guardian, doing everything from devis-

ing share settlement systems to organising bank rescues.

Mrs Liddell sees a role for SIB in the marshalling of banks and financial institutions. "There is no reason why the enhanced SIB cannot have that status," she says. Yet the role of the Bank as "lender of last resort" to failing institutions has not been fully defined.

The Bank may be in danger of being squeezed between SIB and the Treasury in the "lender of last resort" role. While the Treasury says the Bank will retain its say in judging whether a collapse could cause systemic risks, they say the Treasury must, in effect, finance any rescue.

Mrs Liddell also assiduously sticks to a neutral position on the widespread moves by mutually-owned organisations such as building societies to become shareholder-owned. In spite of Labour's roots in the co-operative movement, Mrs Liddell insists their status is their own business.

She indicates that the government is unlikely to seek any new building societies legislation. "The societies have their own framework, and they must consult their members. Providing they operate within the spirit of legislation, it is

not for us to get involved in these issues," she says.

Mrs Liddell is at pains to emphasise that the government is broadly sympathetic to the City. Far from expressing disapproval at the risks of new financial markets, she plays up the idea that a better regulatory

structure may encourage "new financial products".

She says the speed of the SIB announcement was designed to reduce uncertainty and she denies accusations that the government rushed ahead without proper consultation.

Cheap flights airline to triple its fleet

By Michael Skapinker
in Paris

EasyJet, the low-cost airline, plans to triple the size of its fleet over the next two years and begin flights from Luton airport, north of London, to the Channel islands, Geneva and Oslo, Mr Stelios Haji-Ioannou, its founder, said yesterday.

Mr Haji-Ioannou said at the Financial Times aerospace conference in Paris that he had put down deposits on 12 Boeing 737s, to be delivered next year and in 1999. EasyJet at present has five Boeing 737s, with a sixth due for delivery this year. EasyJet, which was launched in 1993, flies from Luton to Scottish cities and Amsterdam, Nice and Barcelona. Mr Haji-Ioannou said he planned to begin flying to Jersey in August and to Geneva and Oslo before the end of the year. He said he was also considering starting services from Luton to Belfast, the Northern Ireland capital, and Madrid.

EasyJet is one of several low-cost carriers that have taken advantage of the European Union's aviation liberalisation programme. Others include Ryanair of Ireland and Virgin Express, which is

based in Brussels and is part of Mr Richard Branson's Virgin group.

Mr Haji-Ioannou said this was the only airline that had never paid any commission to travel agents. All its bookings are taken by its own telephone operators who are paid 80p a reservation rather than a salary. He said: "We hate the travel agents and they hate us."

He criticised the frequent flyer programmes run by large airlines, saying they were a form of bribery. Large airlines offer frequent flyers upgrades on their services, free flights and gifts.

Mr Haji-Ioannou said the programmes were wrong because those who benefited from them did not pay for tickets themselves. Most frequent flyers' fares were paid by companies. He said this was like a computer manufacturer telling corporate information technology purchasers that for every five computers they bought they could have one free "for the kids to play games on at home".

However, Mr Hans Mirka, head of American Airlines' international business, told the conference that frequent flyer programmes were a reward for loyalty.

Scottish Tories debate stance on devolution

By James Buxton,
Scottish Correspondent

The Scottish Conservative and Unionist Association conference in Perth in two weeks' time will be the most significant in its 116 year history, Mr David McLeitchie, chairman, said yesterday.

In one day the Scottish Tories, still reeling from the defeat in the general election in which they lost all their seats, should decide where they stand on devolution and the devolution referendum, and debate the party's future structure.

In the past few weeks activists on the Tories' left have called for the Tories to drop their opposition to devolution, and urged the creation of a new party independent of the Conservatives in England.

On June 27 the conference will consider a three part resolution on constitutional change. It condemns the referendum on devolution, and says that only a referendum held after the legislation has been passed would be fair.

It urges the party to reject government proposals for a Scottish parliament and back a broad-based No campaign in the referendum. It

urges the party to campaign for the election of Tory members of the Scottish parliament if it is established.

The motion reflects the views of Miss Annabel Goldie, chairman, and Mr McLeitchie, who say most members believe the party cannot credibly abandon the opposition to devolution on which it fought the election.

This will be challenged by supporters of devolution, including Mr Arthur Bell, chairman of the Tory Reform Group in Scotland.

Mr Bell is expected to argue for changes, such as the direct election of officers now appointed by the UK party leader. But the party leadership says these issues need to be thrashed out over a period of months.

The only scheduled address by a party luminary will be from Mr Michael Forsyth, the former Scottish secretary. After the conference the newly elected leader of the party will address a closing rally.

This week Mr Kenneth Clarke, former chancellor, followed Mr Malcolm Rifkind, ex-foreign secretary, in rejecting the party's election claim that devolution would lead to the break-up of the United Kingdom.

AN INVITATION A week of golf at the Ryder Cup in Valderrama Monday, September 22 to Sunday, September 28 1997



Pearson, owner of the Financial Times, and its associate in Spain, Recoletos, invite you to the 1997 Ryder Cup in Valderrama, southern Spain. Watch Europe and America compete for this coveted trophy in the splendid surroundings of Andalucia. This very special package includes:

- Flights and all transfers in Spain
- First class hotel accommodation
- Entry to all events at the Ryder Cup and the Pearson/Recoletos Pavilion
- Entry to the Pearson/Recoletos 'Ryder Cup Trophy' and Gala Dinner
- Services of special guides throughout the week.

The first eight people to book will receive complimentary tickets to the Ryder Cup Gala Dinner on Wednesday, September 24. To obtain full details of this event, simply call Richard Thomson on +44 171 873 3670 or fax +44 171 873 4381. The cost per person will be £3,500. Places are extremely limited so early booking is advised. (Closing date for bookings: Wednesday, August 20 1997)

ITINERARY

| | | | |
|--------------|---|-------------|-------------------------------|
| Monday 22 | Depart Gatwick to Malaga | Friday 26 | First match day |
| Tuesday 23 | Afternoon at leisure | Saturday 27 | Second match day |
| Wednesday 24 | Day at leisure | Sunday 28 | Pearson/Recoletos Gala Dinner |
| Thursday 25 | Pearson/Recoletos Golf Tournament at Guadalmina Golf Club | Monday 29 | Final match day |
| | Ryder Cup opening ceremony | | Closing Ceremony |
| | | | Depart Malaga to Gatwick |

The Ryder Cup 1997 at Valderrama

To: Richard Thomson, Financial Times, One Southwark Bridge, London, SE1 9HL Fax: +44 171 873 4381.

Please send full details of the Ryder Cup offer to:

Name: _____

Address: _____

Postcode: _____

Telephone: _____

Addressees supplied by readers in response to this promotion will be held by the FT. If you do not wish to receive any mailings please tick the box

Water saving proposals pour in

By George Parker
and Richard Murray-Bruce

Mr John Prescott, deputy prime minister, was yesterday deluged by proposals from water companies setting out their plans to save supplies, just hours before his midnight deadline for responses.

Mr Prescott was said to be pleased by the submissions, which came in response to last month's "water summit", where he asked companies to provide details of their plans to use resources more efficiently.

Some companies went further than Mr Prescott's ten-point plan for saving water, but others were reluctant to offer services such as free

leak repairs or compensation in times of drought.

For a while yesterday it seemed the 29 privately owned water companies might snub Mr Prescott, who set a midnight deadline for responses to the summit by midday only a handful had replied.

But during the afternoon, couriers and fax machines delivered a welter of water-saving ideas to Mr Prescott's desk. Ms Pamela Taylor, who speaks for the smaller companies in the Water Companies Association, said some of her members might not be able to offer compensation to drought-affected customers because of local geographical conditions.

The department of the

environment said some companies had declined to offer free leak repairs to customers whose domestic pipes were faulty in defiance of Mr Prescott's proposal.

Mr Prescott will consider the submissions before deciding what action is necessary to maintain supplies.

Copper hits 13-month high on LME

MARKETS REPORT

By Robert Corzine, Kenneth Gooding and Maggie Urry

Copper prices on the London Metal Exchange reached the highest level for 13 months yesterday as they continued to be boosted by technical factors and worries about supply disruptions.

However, the price for copper for delivery in three months could not burst convincingly through \$2,600 a tonne, a key level for chart watching speculators. At one point copper was traded at \$2,604 but profit taking quickly pushed the price back down. It closed \$10 ahead of Thursday's close at \$2,590.

Mr Larry Kaplan, analyst at Flemings Global Mining Group, said that, although the supply disruptions were in themselves insignificant, cumulatively they were quite substantial.

"In the current environment copper prices may well spike further. But given that technical factors are clearly influencing events, and that the much vaunted Chinese buying spree is unlikely to emerge in any such spike, we would caution that the turnaround, when it comes, could come swiftly. Nevertheless, our copper price forecast for the year remains a healthy \$1.10 a pound (\$2,424 a tonne)."

Oil prices made modest gains at the end of the week after a series of sharp falls. Brent Blend for July delivery, the world bellwether, was around \$17.70 a barrel in late London trading yesterday, up 26 cents on the day.

WEEKLY PRICE CHANGES

| | Latest | Change | Year | 1997 |
|------------------------|-------------|--------|----------|----------|
| prices | on week ago | High | Low | |
| Gold per troy oz | \$341.55 | +2.00 | \$338.65 | \$288.65 |
| Silver per troy oz | 282.25 | -7.25 | \$325.50 | \$310.10 |
| Aluminum 99.7% (cash) | \$1567 | +5.5 | \$1480 | \$1419.5 |
| Copper Grade A (cash) | \$2704 | +153.5 | \$1961.5 | \$2715.5 |
| Lead (cash) | \$621.5 | +1.5 | \$621.5 | \$621.5 |
| Nickel (cash) | \$7250 | +25 | \$7620.0 | \$6849.5 |
| Zinc (cash) | \$1349 | +1.5 | \$1345.5 | \$1304.5 |
| Tin (cash) | \$5203 | +120 | \$5181.5 | \$5205.5 |
| Copper Futures Jul | \$1116 | +121 | \$1053 | \$1119 |
| Copper Futures Jul | \$1755 | +68 | \$1833 | \$1720 |
| Gold (LDP Fund) | \$282.70 | +2.20 | \$282.70 | \$281.00 |
| Brent Futures Sep | \$11.50 | +4.50 | \$10.05 | \$11.50 |
| Wheat Futures Jul | \$81.75 | -3.25 | \$115.25 | \$81.75 |
| Cotton Outlook A Index | \$1.05 | +0.75 | \$1.05 | \$1.05 |
| Wool (64s Super) | 4389 | +428 | 4389 | 3878 |
| Oil (Gulf Blend) | \$17.035k | +0.535 | \$16.165 | \$24.95 |

Per tonne unless otherwise stated. p. Penicillin. c. Cents to £. x J.A.

WORLD BOND PRICES

Europe and US push on

MARKETS REPORT

By Michael Lindemann in London and Jane Marthaler in New York

US and European bond markets extended their recent rallies yesterday, enthused by weaker than expected May producer prices in the US.

Germany and France failed to settle their differences about the stability pact but analysts remained optimistic that a deal could be reached before the Amsterdam summit on Tuesday.

While one analyst said the market had already factored in a successful conclusion to the Amsterdam summit, Mr Mark Fox, chief European strategist at Lehman Brothers, said only a deal on the stability pact had been discounted. "If there is anything else positive we will see reactions next week," he said.

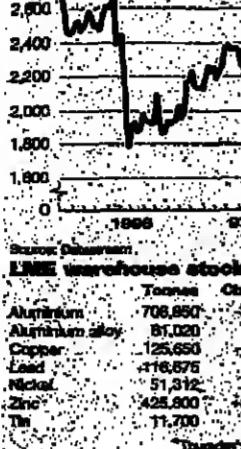
US TREASURY prices led the way. The 30-year benchmark bond rose 2 at 98²⁵, yielding 6.705 per cent, following strong gains on Thursday, after retail sales figures were also weaker than expected. The producer price index fell 0.3 per cent in May while headline and core figures were both weaker than expected.

"The May producer price report continues to tell an extraordinary story," said Ms Marilyn Schaja, money markets economist at Donaldson, Lufkin & Jenrette.

Mr John Spinello, government securities strategist at Merrill Lynch, said the data was "extremely good for the market" and would continue to provide upward momentum to prices in the run-up to the next meeting of the Federal Reserve's Open Market Committee in July. "The market was expecting some fairly positive data," he said. "But it got a lot more than that."

Copper

LME 3-month metal (\$ per tonne)



Source: Bloomberg

LME warehouse stocks (tonnes)

Source: Bloomberg

LME 3-month metal (\$ per tonne)

CURRENCIES AND MONEY

D-Mark suffers

MARKETS REPORT

By Richard Adams

Continuing discussions over a stability pact for European monetary union (Emu) dragged down the D-Mark against sterling and the US dollar yesterday.

Leaders of Germany and France - meeting for the first time since the new left-wing government was elected in France - said they made progress yesterday, but did not reach a final accord.

Sterling made the most spectacular gains on foreign exchange markets in Europe. The pound rose by well over two pence, to end the day at DM2.8421.

During trading, sterling reached its highest level since August 1992, only weeks before it was forced out of the exchange-rate mechanism by market speculation.

The US dollar came within

striking distance of reaching its highest level against the D-Mark for over three years. The dollar gained 1.4 pence, and settled at DM1.7378 in London.

Analysts said if Germany and France do strike new agreement to limit budget deficits after the launch of Emu in 1999, the D-Mark could fall further, as its eventual replacement by a "soft" Euro seems more certain.

Elsewhere, the dollar con-

tinued its fightback against the Japanese yen. It gained another Y10.76 yesterday, to end at Y114.77.

The pound gained against the US dollar, thanks to heavy buying by large US investment banks in early

Dollar

DM per \$

Yen per \$

DM per Yen

\$ per Yen

DM per Yen

\$ per DM

PPs per DM

PPs per \$

PPs per Yen

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

PPs per \$

PPs per Yen

PPs per DM

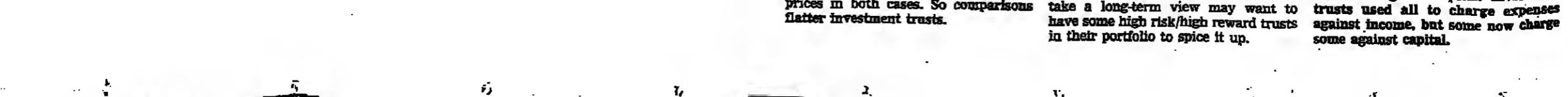
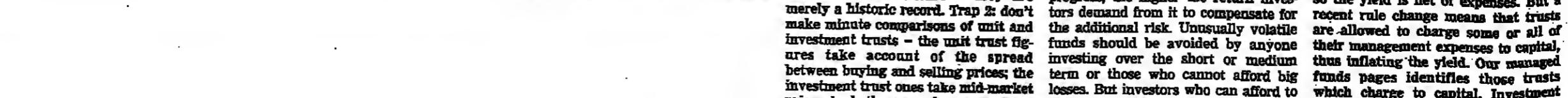
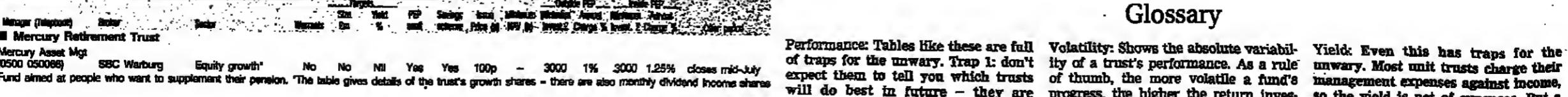
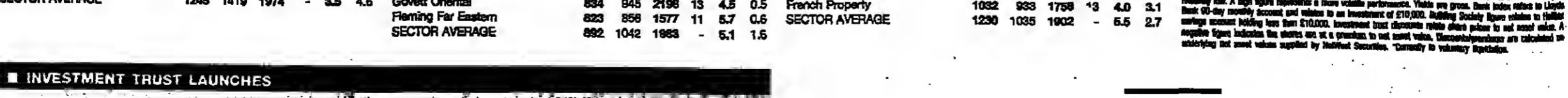
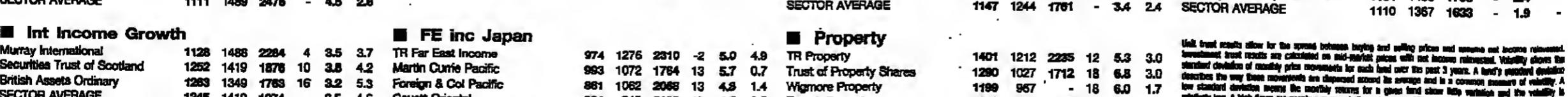
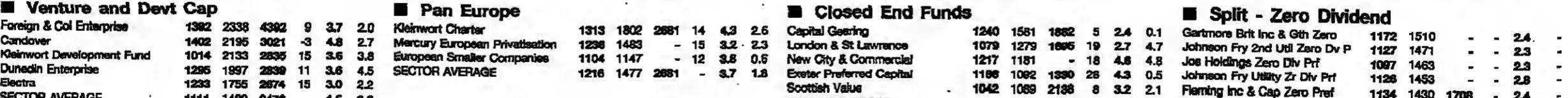
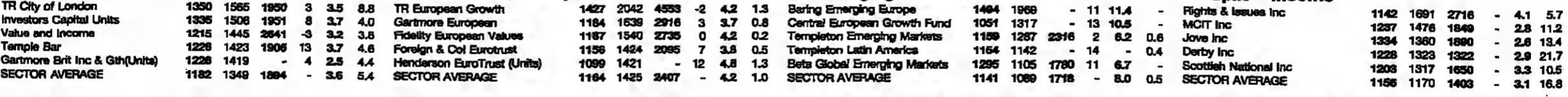
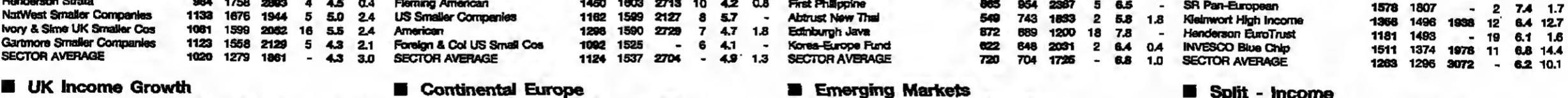
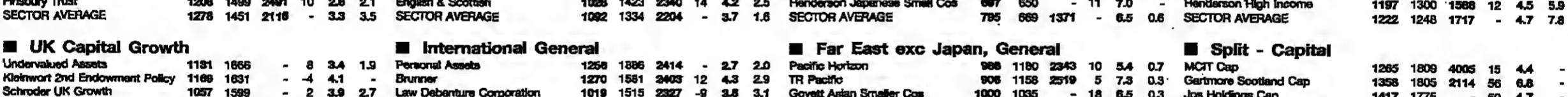
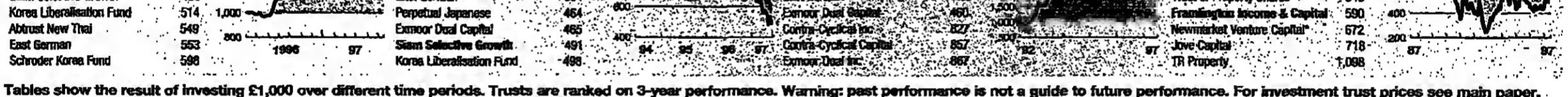
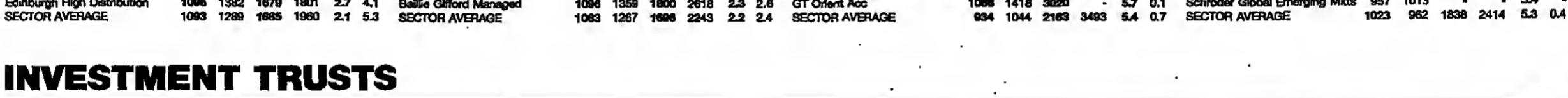
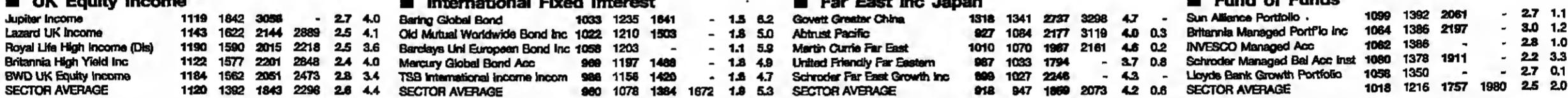
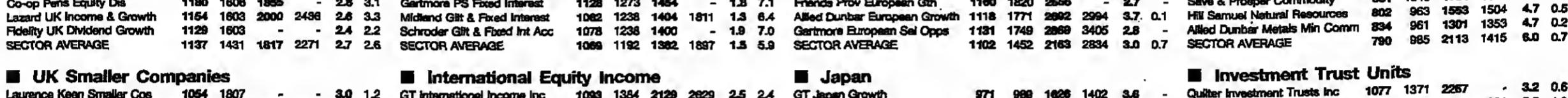
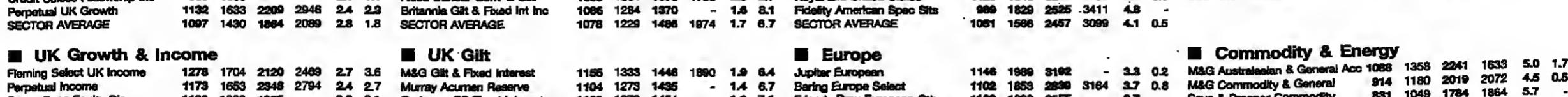
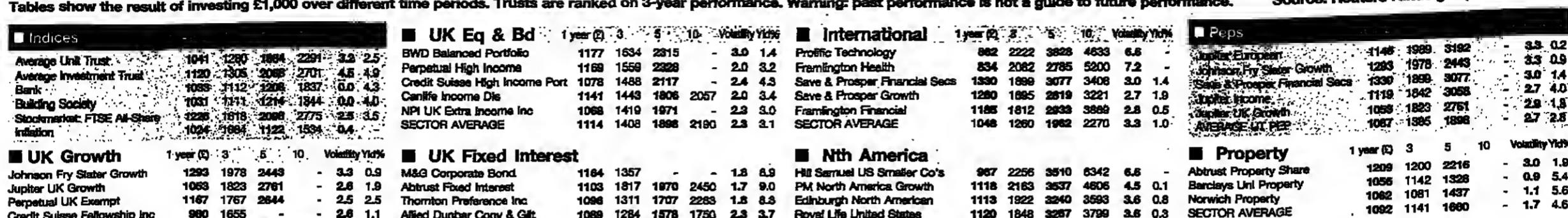
UNIT TRUSTS

■ WINNERS AND LOSERS

| TOP FIVE OVER 1 YEAR | | Old Mutual Thailand | |
|--------------------------------|------------|---------------------|--|
| HSBC Hong Kong Growth | 1,498 | | |
| Invesco Hong Kong & China | 1,423 | | |
| Abrust Frontier Markets | 1,366 | 1,000 | |
| Save & Prosper Financial Secs | 1,330 | 900 | |
| Gottet Greater China | 1,318 | 200 | |
| BOTTOM FIVE OVER 1 YEAR | 700 | | |
| Old Mutual Thailand Acc | 397 | 600 | |
| Save & Prosper Gold & Eq | 589 | 600 | |
| Save & Prosper Korea | 608 | 400 | |
| Schroder Scott | 614 | 300 | |
| FAC Japanese Smaller Cos | 639 | 97 | |

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Source: Reuters Hindsight (01625 511311)



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4978 for more details.

| PROPERTY UNIT TRUSTS | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|
| Eagle Star Life Assurance Co Ltd - Contd. | | | | | | | | | | | |
| Products launched after 20.00.00 | | | | | | | | | | | |
| Products (2000) 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |
| United Prod 5000 | | | | | | | | | | | |

Insurances, Money Markets and Other

- FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44 171) 873 6378 for more details.

MANAGEMENT SERVICES

Offshore Funds and Insurances

- FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44 171) 873 4378 for more details.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

LONDON STOCK EXCHANGE

Footsie hits new intra-day and closing highs

MARKET REPORT

By Steve Thompson,
UK Stock Market Editor

A fresh burst of takeover activity, plus the latest soaring performance from Wall Street overnight - The Dow posted its fifth straight record high - saw the FTSE 100 hit new intra-day and closing peaks yesterday.

Wall Street gave another powerful demonstration at the start of trading yesterday, hitting yet another record not long after London closed.

The index failed by only four points to penetrate the 4,800 level, eventually finishing 25.7 up

at a closing record of 4,783.1, up 1.81 or over 3 per cent on the week.

And there was more market-boosting news from the US yesterday when May producer prices fell 0.3 per cent on the month, against a consensus forecast of a 0.1 per cent increase.

The PPI data rounded off a week of excellent US economic news, which has seen Wall Street and London burtle to new records.

Wall Street has been lifted by the recent lower than expected employment report for May and a fall in retail sales, all of which are seen as sharply reducing the possibility of a US rate rise when

the Federal Reserve's Open Market Committee meets on July 2.

Demand for UK stocks encompassed the recently underperforming second-liners and small cap stocks. The FTSE 250, which has begun to show signs of outperforming the FTSE 100 over recent sessions, ran up 40.9 to 4,586.1, for a 1.12 point or 2.5 per cent gain on the week.

It was helped substantially by a takeover approach for one of its constituents, the food processing group Albert Fisher, and a continuation of extremely positive corporate news.

Earlier in the week, excellent company results from Johnson Matthey, FKI and Scapa had been

the driving forces behind the 250 index. Yesterday English China Clays gave the index a big push after a bullish trading update.

Questioned about the ability of markets to maintain their upward momentum, London dealers said there had been little evidence of any keenness for institutions to lighten UK market weightings.

On the contrary, talk around the dealing desks suggested many of the big funds were still underweight in many areas of the market, notably the banks and other financials.

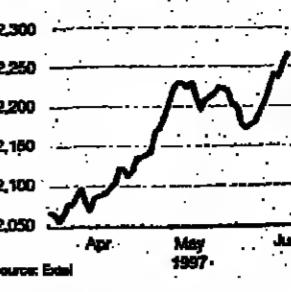
There were very few sellers around yesterday and the market feels rock solid; it could get very

hot indeed if Norwich Union starts to fly on Monday morning, said a marketaker.

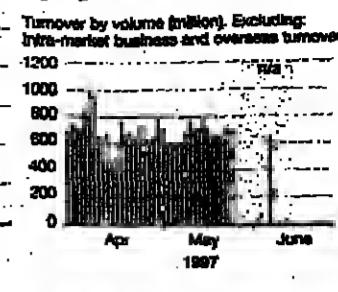
The unofficial grey market in Norwich Union shares showed the stock quoted at 34p to 35p with City Index and at 35p to 38p with IG Index. A leading marketaker said he expected the shares to kick off on Monday at 34p to 35p, but for the stock to close easier on the day.

Legal & General and Prudential were being sold towards the end of the week, with some traders saying the sector had been driven too high in the frenzy surrounding the Norwich flotation. Turnover at 6pm was 956.8m shares.

FTSE All-Share Index



Equity shares traded



points to penetrate the 4,800 level, eventually finishing 25.7 up

at a closing record of 4,783.1, up 1.81 or over 3 per cent on the week.

And there was more market-boosting news from the US yesterday when May producer prices fell 0.3 per cent on the month, against a consensus forecast of a 0.1 per cent increase.

The PPI data rounded off a week of excellent US economic news, which has seen Wall Street and London burtle to new records.

Wall Street has been lifted by the recent lower than expected employment report for May and a fall in retail sales, all of which are seen as sharply reducing the possibility of a US rate rise when

the Federal Reserve's Open Market Committee meets on July 2.

Demand for UK stocks encompassed the recently underperforming second-liners and small cap stocks. The FTSE 250, which has begun to show signs of outperforming the FTSE 100 over recent sessions, ran up 40.9 to 4,586.1, for a 1.12 point or 2.5 per cent gain on the week.

It was helped substantially by a takeover approach for one of its constituents, the food processing group Albert Fisher, and a continuation of extremely positive corporate news.

Earlier in the week, excellent company results from Johnson Matthey, FKI and Scapa had been

the driving forces behind the 250 index. Yesterday English China Clays gave the index a big push after a bullish trading update.

Questioned about the ability of markets to maintain their upward momentum, London dealers said there had been little evidence of any keenness for institutions to lighten UK market weightings.

On the contrary, talk around the dealing desks suggested many of the big funds were still underweight in many areas of the market, notably the banks and other financials.

There were very few sellers around yesterday and the market feels rock solid; it could get very

hot indeed if Norwich Union starts to fly on Monday morning, said a marketaker.

The unofficial grey market in Norwich Union shares showed the stock quoted at 34p to 35p with City Index and at 35p to 38p with IG Index. A leading marketaker said he expected the shares to kick off on Monday at 34p to 35p, but for the stock to close easier on the day.

Legal & General and Prudential were being sold towards the end of the week, with some traders saying the sector had been driven too high in the frenzy surrounding the Norwich flotation. Turnover at 6pm was 956.8m shares.

points to penetrate the 4,800 level, eventually finishing 25.7 up

at a closing record of 4,783.1, up 1.81 or over 3 per cent on the week.

And there was more market-boosting news from the US yesterday when May producer prices fell 0.3 per cent on the month, against a consensus forecast of a 0.1 per cent increase.

The PPI data rounded off a week of excellent US economic news, which has seen Wall Street and London burtle to new records.

Wall Street has been lifted by the recent lower than expected employment report for May and a fall in retail sales, all of which are seen as sharply reducing the possibility of a US rate rise when

the Federal Reserve's Open Market Committee meets on July 2.

Demand for UK stocks encompassed the recently underperforming second-liners and small cap stocks. The FTSE 250, which has begun to show signs of outperforming the FTSE 100 over recent sessions, ran up 40.9 to 4,586.1, for a 1.12 point or 2.5 per cent gain on the week.

It was helped substantially by a takeover approach for one of its constituents, the food processing group Albert Fisher, and a continuation of extremely positive corporate news.

Earlier in the week, excellent company results from Johnson Matthey, FKI and Scapa had been

the driving forces behind the 250 index. Yesterday English China Clays gave the index a big push after a bullish trading update.

Questioned about the ability of markets to maintain their upward momentum, London dealers said there had been little evidence of any keenness for institutions to lighten UK market weightings.

On the contrary, talk around the dealing desks suggested many of the big funds were still underweight in many areas of the market, notably the banks and other financials.

There were very few sellers around yesterday and the market feels rock solid; it could get very

hot indeed if Norwich Union starts to fly on Monday morning, said a marketaker.

The unofficial grey market in Norwich Union shares showed the stock quoted at 34p to 35p with City Index and at 35p to 38p with IG Index. A leading marketaker said he expected the shares to kick off on Monday at 34p to 35p, but for the stock to close easier on the day.

Legal & General and Prudential were being sold towards the end of the week, with some traders saying the sector had been driven too high in the frenzy surrounding the Norwich flotation. Turnover at 6pm was 956.8m shares.

points to penetrate the 4,800 level, eventually finishing 25.7 up

at a closing record of 4,783.1, up 1.81 or over 3 per cent on the week.

And there was more market-boosting news from the US yesterday when May producer prices fell 0.3 per cent on the month, against a consensus forecast of a 0.1 per cent increase.

The PPI data rounded off a week of excellent US economic news, which has seen Wall Street and London burtle to new records.

Wall Street has been lifted by the recent lower than expected employment report for May and a fall in retail sales, all of which are seen as sharply reducing the possibility of a US rate rise when

the Federal Reserve's Open Market Committee meets on July 2.

Demand for UK stocks encompassed the recently underperforming second-liners and small cap stocks. The FTSE 250, which has begun to show signs of outperforming the FTSE 100 over recent sessions, ran up 40.9 to 4,586.1, for a 1.12 point or 2.5 per cent gain on the week.

It was helped substantially by a takeover approach for one of its constituents, the food processing group Albert Fisher, and a continuation of extremely positive corporate news.

Earlier in the week, excellent company results from Johnson Matthey, FKI and Scapa had been

the driving forces behind the 250 index. Yesterday English China Clays gave the index a big push after a bullish trading update.

Questioned about the ability of markets to maintain their upward momentum, London dealers said there had been little evidence of any keenness for institutions to lighten UK market weightings.

On the contrary, talk around the dealing desks suggested many of the big funds were still underweight in many areas of the market, notably the banks and other financials.

There were very few sellers around yesterday and the market feels rock solid; it could get very

hot indeed if Norwich Union starts to fly on Monday morning, said a marketaker.

The unofficial grey market in Norwich Union shares showed the stock quoted at 34p to 35p with City Index and at 35p to 38p with IG Index. A leading marketaker said he expected the shares to kick off on Monday at 34p to 35p, but for the stock to close easier on the day.

Legal & General and Prudential were being sold towards the end of the week, with some traders saying the sector had been driven too high in the frenzy surrounding the Norwich flotation. Turnover at 6pm was 956.8m shares.

points to penetrate the 4,800 level, eventually finishing 25.7 up

at a closing record of 4,783.1, up 1.81 or over 3 per cent on the week.

And there was more market-boosting news from the US yesterday when May producer prices fell 0.3 per cent on the month, against a consensus forecast of a 0.1 per cent increase.

The PPI data rounded off a week of excellent US economic news, which has seen Wall Street and London burtle to new records.

Wall Street has been lifted by the recent lower than expected employment report for May and a fall in retail sales, all of which are seen as sharply reducing the possibility of a US rate rise when

the Federal Reserve's Open Market Committee meets on July 2.

Demand for UK stocks encompassed the recently underperforming second-liners and small cap stocks. The FTSE 250, which has begun to show signs of outperforming the FTSE 100 over recent sessions, ran up 40.9 to 4,586.1, for a 1.12 point or 2.5 per cent gain on the week.

It was helped substantially by a takeover approach for one of its constituents, the food processing group Albert Fisher, and a continuation of extremely positive corporate news.

Earlier in the week, excellent company results from Johnson Matthey, FKI and Scapa had been

the driving forces behind the 250 index. Yesterday English China Clays gave the index a big push after a bullish trading update.

Questioned about the ability of markets to maintain their upward momentum, London dealers said there had been little evidence of any keenness for institutions to lighten UK market weightings.

On the contrary, talk around the dealing desks suggested many of the big funds were still underweight in many areas of the market, notably the banks and other financials.

There were very few sellers around yesterday and the market feels rock solid; it could get very

hot indeed if Norwich Union starts to fly on Monday morning, said a marketaker.

The unofficial grey market in Norwich Union shares showed the stock quoted at 34p to 35p with City Index and at 35p to 38p with IG Index. A leading marketaker said he expected the shares to kick off on Monday at 34p to 35p, but for the stock to close easier on the day.

Legal & General and Prudential were being sold towards the end of the week, with some traders saying the sector had been driven too high in the frenzy surrounding the Norwich flotation. Turnover at 6pm was 956.8m shares.

points to penetrate the 4,800 level, eventually finishing 25.7 up

at a closing record of 4,783.1, up 1.81 or over 3 per cent on the week.

And there was more market-boosting news from the US yesterday when May producer prices fell 0.3 per cent on the month, against a consensus forecast of a 0.1 per cent increase.

The PPI data rounded off a week of excellent US economic news, which has seen Wall Street and London burtle to new records.

Wall Street has been lifted by the recent lower than expected employment report for May and a fall in retail sales, all of which are seen as sharply reducing the possibility of a US rate rise when

the Federal Reserve's Open Market Committee meets on July 2.

Demand for UK stocks encompassed the recently underperforming second-liners and small cap stocks. The FTSE 250, which has begun to show signs of outperforming the FTSE 100 over recent sessions, ran up 40.9 to 4,586.1, for a 1.12 point or 2.5 per cent gain on the week.

It was helped substantially by a takeover approach for one of its constituents, the food processing group Albert Fisher, and a continuation of extremely positive corporate news.

Earlier in the week, excellent company results from Johnson Matthey, FKI and Scapa had been

the driving forces behind the 250 index. Yesterday English China Clays gave the index a big push after a bullish trading update.

Questioned about the ability of markets to maintain their upward momentum, London dealers said there had been little evidence of any keenness for institutions to lighten UK market weightings.

On the contrary, talk around the dealing desks suggested many of the big funds were still underweight in many areas of the market, notably the banks and other financials.

There were very few sellers around yesterday and the market feels rock solid; it could get very

hot indeed if Norwich Union starts to fly on Monday morning, said a marketaker.

The unofficial grey market in Norwich Union shares showed the stock quoted at 34p to 35p with City Index and at 35p to 38p with IG Index. A leading marketaker said he expected the shares to kick off on Monday at 34p to 35p, but for the stock to close easier on the day.

Legal & General and Prudential were being sold towards the end of the week, with some traders saying the sector had been driven too high in the frenzy surrounding the Norwich flotation. Turnover at 6pm was 956.8m shares.

points to penetrate the 4,800 level, eventually finishing 25.7 up

at a closing record of 4,783.1, up 1.81 or over 3 per cent on the week.

And there was more market-boosting news from the US yesterday when May producer prices fell 0.3 per cent on the month, against a consensus forecast of a 0.1 per cent increase.

The PPI data rounded off a week of excellent US economic news, which has seen Wall Street and London burtle to new records.

Wall Street has been lifted by the recent lower than expected employment report for May and a fall in retail sales, all of which are seen as sharply reducing the possibility of a US rate rise when

the Federal Reserve's Open Market Committee meets on July 2.

Demand for UK stocks encompassed the recently underperforming second-liners and small cap stocks. The FTSE 250, which has begun to show signs of outperforming the FTSE 100 over recent sessions, ran up 40.9 to 4,586.1, for a 1.12 point or 2.5 per cent gain on the week.

It was helped substantially by a takeover approach for one of its constituents, the food processing group Albert Fisher, and a continuation of extremely positive corporate news.

Earlier in the week, excellent company results from Johnson Matthey, FKI and Scapa had been

</

cord Da
intains
mentum

WORLD STOCK MARKETS

Higns & Lows shown on a 52 week basis

Rockwell Automation is
leading technological
innovation with more than
500,000 products for a broad
spectrum of industries.

<http://www.rockwell.com>

Rockwell Automation is leading technological innovation with more than 500,000 products for a broad spectrum of industries.



<http://www.rockwell.com>

INDICES

| | Jan 13 | Jan 12 | Jan 11 | High | 1997 | Low | |
|------------------------|-----------|-----------|-----------|----------|------|----------|------|
| Argentina | | | | | | | |
| General(3/1/27) | 140 | 23082.8 | 22813.7 | 23092.80 | 126 | 18237.37 | 21 |
| Australia | | | | | | | |
| All Ordinaries(1/186) | 2555.3 | 2528.1 | 2513.7 | 2555.30 | 136 | 2552.30 | 14 |
| All Mktg(1/1,303) | 940.1 | 937.6 | 934.6 | 957.10 | 242 | 974.40 | 164 |
| Austria | | | | | | | |
| Credit Attest(3/1/284) | 420.41 | 418.78 | 420.01 | 431.07 | 56 | 374.48 | 91 |
| Traded Index(7/1/91) | 1320.25 | 1298.08 | 1300.55 | 1320.20 | 273 | 1130.22 | 91 |
| Belgium | | | | | | | |
| B2B(3/1/7/91) | 2400.26 | 2391.23 | 2362.70 | 2400.35 | 136 | 1671.05 | 21 |
| Brazil | | | | | | | |
| Bovespa(3/1/233) | 60 | 11852.0 | 11480.0 | 11852.00 | 126 | 6055.50 | 21 |
| Canada | | | | | | | |
| Markt Mktg(4/1973) | 14 | 5522.10 | 5581.95 | 5601.35 | 103 | 4465.95 | 114 |
| Composite(1/1973) | 40 | 5515.50 | 5439.50 | 5515.50 | 126 | 3558.30 | 144 |
| Portfolio(5/1/183) | 60 | 3326.38 | 3323.54 | 3326.38 | 126 | 2346.02 | 114 |
| Chile | | | | | | | |
| IPSA(5/31/12/20) | 10 | 5842.30 | 5789.47 | 5842.30 | 126 | 4912.42 | 21 |
| Denmark | | | | | | | |
| Copenhagen(5/31/183) | 589.28 | 587.71 | 586.57 | 588.28 | 136 | 470.14 | 21 |
| Finland | | | | | | | |
| HEX General(3/1/12/20) | 3143.51 | 3138.83 | 3142.92 | 3143.51 | 136 | 2483.28 | 21 |
| France | | | | | | | |
| SBF 200(1/12/98) | 1855.23 | 1811.57 | 1780.43 | 1858.29 | 165 | 1533.19 | 21 |
| CAC 40(31/1/23) | 2600.52 | 2600.27 | 2606.19 | 2606.52 | 136 | 2265.97 | 21 |
| Germany | | | | | | | |
| FTSE AllShare(1/1/58) | 1275.15 | 1267.13 | 1257.47 | 1275.15 | 136 | 986.21 | 21 |
| Composite(1/1/253) | 3748.30 | 3725.20 | 3694.50 | 3748.20 | 136 | 2808.58 | 21 |
| DAK(3/1/267) | 3744.44 | 3707.98 | 3677.43 | 3744.44 | 136 | 2946.37 | 21 |
| Greece | | | | | | | |
| Atmos SE3/1/13/80 | 1625.73 | 1631.90 | 1638.56 | 1722.70 | 235 | 954.54 | 21 |
| Hong Kong | | | | | | | |
| Hong Kong(7/7/64) | 14112.55 | 13824.34 | 14421.52 | 14800.90 | 26 | 12055.17 | 34 |
| India | | | | | | | |
| BSE Sens(1/1979) | 4025.99 | 3922.95 | 3927.71 | 4025.99 | 136 | 3225.24 | 21 |
| Indonesia | | | | | | | |
| Jakarta Comp.(10/6/82) | 698.62 | 695.22 | 693.03 | 712.88 | 392 | 531.27 | 154 |
| Ireland | | | | | | | |
| ESB Owners(4/1/88) | 3356.48 | 3350.65 | 3321.93 | 3384.48 | 136 | 2725.07 | 21 |
| Italy | | | | | | | |
| Banca Comer Ital(1973) | 793.78 | 771.08 | 763.25 | 797.71 | 102 | 642.55 | 21 |
| MIB General(3/1/57) | 1184.0 | 1161.0 | 1146.0 | 1187.00 | 102 | 911.00 | 21 |
| Japan | | | | | | | |
| Nikkei 225(16/5/49) | 20521.35 | 20584.46 | 20581.03 | 2061.50 | 46 | 17303.05 | 10/1 |
| Nikkei 3000(1/10/82) | 255.62 | 254.63 | 251.57 | 265.62 | 136 | 201.04 | 27/1 |

OpenShift Platform

| ■ CAC-40 (200 x Index) | | | | | | |
|---|--------|--------|-------|--------|--------|----------------|
| Jun | 2772.0 | 2793.0 | +47.0 | 2801.0 | 2772.0 | 21,942 |
| Jul | 2771.6 | 2791.0 | +47.6 | 2789.0 | 2771.5 | 2,611 |
| ■ DAX | | | | | | |
| Jun | 3762.0 | 3749.0 | +11.5 | 3765.5 | 3733.0 | 22,322 143,427 |
| Sep | 3769.0 | 3776.5 | +12.0 | 3783.5 | 3760.5 | 5,610 22,268 |
| - Sat June 7: Taken Weighted Price 3567.46; Korea Com Ex 782.77. Base values of 100. | | | | | | |
| Mining - 50% Australia Traded: B2-20, HEG-X, MG-X, BM-X, SBF-20, CAC40, SP-500 | | | | | | |
| Mining - DAX - 31,1,000, SMI - 1,500 - JSC (Gold - 255.7; JSE - 25 Ind - 245.3; IMI - 100 - | | | | | | |

US INDICES

| Dow Jones | Jun 12 | Jun 11 | Jun 10 | 1997 High | 1997 Low | Since compilation High | Since compilation Low |
|----------------------------|---------------|--------------------|---------|-----------------|-----------|------------------------|-----------------------|
| Industries | 7711.47 | 7573.83 | 7539.27 | 7711.47 | 6391.89 | 7711.47 | 41.22 |
| Home Banks | 102.85 | 102.60 | 102.64 | 103.03 | 101.59 | 103.77 | 54.98 |
| Transport | 2880.84 | 2576.49 | 2571.12 | 2718.15 | 2222.07 | 2718.15 | 13.23 |
| Utilities | 223.38 | 220.58 | 219.89 | 248.85 | 208.47 | 258.45 | 16.53 |
| DJ Ind. Day's High | 7741.42 | (7830.98) | Low | 7820.48 | (7476.29) | (Theoretical) | |
| Day's high | 7742.35 | (7834.19) | Low | 7578.98 | (7534.81) | (Actual) | |
| Standard and Poor's | | | | | | | |
| Composite | 883.48 | 868.57 | 865.27 | 883.48 | 737.91 | 883.48 | 4.40 |
| Industrial | 1038.79 | 1022.51 | 1017.73 | 1038.78 | 865.42 | 1038.79 | 3.52 |
| Financial | 101.44 | 98.68 | 98.04 | 101.44 | 80.75 | 101.44 | 7.13 |
| NYSE Comp. | 460.84 | 453.50 | 451.76 | 460.84 | 388.47 | 460.84 | 4.84 |
| Amex Comp. | 626.12 | 622.67 | 621.11 | 626.12 | 541.20 | 628.12 | 54.20 |
| NASDAQ Comp | 1411.32 | 1407.85 | 1401.59 | 1412.04 | 1261.00 | 1412.94 | 54.97 |
| II RATIOS | | | | | | | |
| Dow Jones Ind. Div. Yield | | | | Jun 6 | May 30 | May 23 | Year ago |
| | | | | 1.70 | 1.73 | 1.59 | 2.16 |
| S & P Ind. Div. yield | | | | Jun 11 | Jun 4 | May 28 | Year ago |
| S & P Ind. P/E ratio | | | | 1.82 | 1.89 | 1.57 | 1.87 |
| III NEW YORK ACTIVE STOCKS | | | | | | | |
| Thursday | Stocks traded | Close price on day | Change | Value (million) | Jun 12 | Jun 11 | Jun 10 |
| Polo Ralph | 19,962,600 | 314 | +56 | New York SE | 597,553 | 517,241 | 531,026 |
| Ph Morris | 13,692,500 | 446 | +2 | Amex | 21,450 | 20,087 | 20,224 |
| CUC Int'l | 8,650,300 | 25% | +14 | NASDAQ | 639,985 | 631,851 | 674,952 |
| Compaq | 5,615,500 | 96% | -24 | NYSE | | | |
| MicroTech | 1,193,500 | 39% | - | Issues Traded | 3,363 | 3,372 | 3,384 |
| Pharmacia | 5,162,200 | 32% | -1 | 1 Recs | 1,871 | 1,515 | 1,409 |
| Cardinal Hl | 5,029,500 | 58 | -134 | Falls | 734 | 1,030 | 1,137 |
| GEC | 4,716,700 | 85% | +11 | Unchanged | 778 | 827 | 838 |
| RJR Nabisco | 4,505,500 | 34% | +15 | New Highs | 450 | 239 | 307 |
| Adv Micro | 4,024,300 | 37% | -16 | New Lows | 16 | 15 | 10 |
| S&P 500 | Open | Lated | Change | High | Low | Est. vol. | Open Int. |
| Jun | 888.00 | 890.30 | +4.20 | 890.30 | 888.10 | 48,271 | 110,535 |
| Sep | 894.70 | 899.20 | +4.10 | 899.20 | 893.50 | 85,633 | 97,132 |
| IV NATIONWIDE | | | | | | | |
| Sep | 20860.0 | 20590.0 | - | 20860.0 | 20500.0 | 27,534 | 153,740 |

AFRICA

WORLD STOCK MARKETS

Record Dow US data take leading bourses to peaks

maintains momentum

AMERICAS

Wall Street showed no sign of slowing down at midession, after a record-breaking week, as US blue chips took heart from further positive news on inflation, writes *Jane Marston* in New York.

The Dow Jones Industrial Average rose \$3.24 to 7,794.71, prompting the so-called down-tick rule designed to limit momentum.

The strong gains followed those in the bond market where the 30-year benchmark note rose \$1 at 9825, yielding 6.705 per cent. The market received a fillip from producer price figures that were weaker than expected.

All but the most bullish analysts had expected the Dow to stay within a narrow trading range below the current levels.

Mr Douglas Cliggott, US equity strategist at J.P. Morgan, has predicted a year-end target of less than \$500 for the S & P 500 index. This broadly based index of larger companies was yesterday trading up \$0.22 at 892.28, a record level.

"We can see a lot of positive fundamentals for US equities," said Mr Cliggott. "But we think that the market is really getting ahead of itself."

The market's strength carried smaller companies and technology stocks with it, after a week during which they have lagged behind their larger competitors. The

technology-driven Nasdaq composite index rose 14.09 or almost 1 per cent to 1,425.41 while the Russell 2000 of smaller company shares gained 1.64 to 291.18.

Larger technology stocks such as Microsoft, Intel and Dell all made strong gains.

The positive economic outlook helped lift banking stocks. J.P. Morgan again failed to go along with the trend and fell \$4 to 105.09 after a profit's downgrade earlier in the week.

Several tobacco shares rallied as the market anticipated an end to industry peace talks. Philip Morris flirted with its all-time high with a gain of \$14 to 45.6, while RJR Nabisco rose \$2 to \$34.74.

TORONTO continued to follow Wall Street higher, pushing the 300 composite index ahead by 31.09 to 6,546.70 at the noon calculation.

Banks again rose strongly on the back of tumbling bond yields. Royal Bank of Canada ended the morning session 50 cents higher at C\$60.85 and Toronto Dominion Bank added 20 cents at C\$42.30.

Alcan Aluminium put on 26 cents to C\$51.80. Teleglobe was a clear feature, jumping C\$2.60 to C\$49 after the company made an upbeat statement on the outlook for earnings.

A dull bullion price kept golds flat. Barrick Gold shed 15 cents to C\$44.45.

Mexico ends higher

MEXICO CITY added to its recent record run, pushing ahead strongly in a morning session marked by solid volume. Telmex added 6 centavos to 19.06 pesos and Cemex, buoyed by an upgrade for second-quarter cement demand, rose 30 centavos to 35.40 pesos. Firm bond markets kept the upside pressure on financials.

Banacci advanced 1.34 pesos to 21.20 pesos. At mid-

session, the IPC index was up 37.10 at 4,277.12 having risen almost 100 points over the previous two days.

CARACAS also moved ahead strongly. At midession, the IBC index was 20.06 ahead at 125.54.

SANTIAGO was hit by modest profit-taking. "We've had too much of a good run lately. This is healthy," said one broker. At the end of the morning session the IPSA index of all first-section

stocks adding 3.80 to 1,530.26 and the capital-weighted Nikkei 200 up 0.98 at 295.2. Volume surged from 448m shares to an estimated 812m. Declines led advances 543 to 457 with 164 unchanged.

In London, the ISE/Nikkei 50 index rose 4.48 to 1,604.58. Foreign investors continued to buy bank stocks, which rose 2.2 per cent as a group. Sakura Bank, the day's most active issue, added Y10 to Y120. Sumitomo Bank jumped Y60 to Y1,820. Sumitomo Trust and Banking Y80 to Y1,210 and Dai-Ichi Kangyo Bank advanced Y10 to Y1,380 and Nomura Securities Y20 to Y1,450, in spite of the widening scandal linking the two companies to corporate racketeers.

Blue chips fell prey to profit-taking. Sony fell Y10 to Y9,820, TDK Y30 to Y8,400 and Honda Y10 to Y3,600.

Nagoya Railroad, a regional rail operator, based on index futures-related sell-

EUROPE

Leading bourses hit fresh records yesterday as the inflation news from the US continued to push interest rate worries into the background.

PARIS punched through to a new high, extending its rally since late May when election jitters were at their height to 8 per cent. At the close, the CAC 40 was up 48.25 to 2,808.52 in good two-way volume of 1.65m.

Again led by the performance charts, rising FFr84 or 6 per cent to FFr147.9 following upgrades to "buy" from a number of local brokers. There was good progress, too, at Peugeot, which closed FFr23 higher at FFr60.

Oils tracked the bounce for Brent Blend, the North Sea marker price. Elf Aquitaine rose FFr22 to FFr61. Among smaller caps, Publicis shot forward following an upbeat annual meeting. The shares jumped FFr23 to FFr58.

STOCKHOLM also nudged higher with a few gains, though it was planning an Electrolux-style reorganisation. Hennes & Mauritz, which posts first-half results on Friday, gained SKr19.50 to SKr26.5.

SKF rose SKr6.50 to SKr186.50 on talk that it, too, was planning an Electrolux-style reorganisation. Hennes & Mauritz, which posts first-half results on Friday, gained SKr19.50 to SKr26.5.

ZURICH returned to its record-setting ways although analysts noted that the SMI index failed to overcome resistance at the 5,400-point level. The index turned back from the day's high of 5,397.6 to close 20.4 ahead at 5,394.6.

Renewed foreign demand drove Novartis FFr27 higher at SFr2,090 but Roche certificates eased SFr35 to SFr32.040.

ABP, weak on Thursday, recovered SFr17 to SFr12.10.

The general index ended 18.01 higher at 2,915.82.

AMSTERDAM experienced a good day for internationals but it was Polygram that took the main performance prize, with a gain of FFr4.30 or 4.5 per cent to FFr98.30 as that dealers saw a technical rebound.

Royal Dutch put on FFr9 to FFr38.30 and Unilever added FFr10.10 to FFr40.60. Hegemeyer rose FFr13 to FFr67.0 for a five-day run of nearly 13 per cent following initiated coverage by Goldman Sachs.

Argon continued to suffer from stock over-hang concerns in the wake of the planned takeover of Providian Corporation of the US. The stock shed FFr2.0 to FFr12 in 2.1m traded.

ZURICH returned to its record-setting ways although analysts noted that the SMI index failed to overcome resistance at the 5,400-point level. The index turned back from the day's high of 5,397.6 to close 20.4 ahead at 5,394.6.

Renewed foreign demand drove Novartis FFr27 higher at SFr2,090 but Roche certificates eased SFr35 to SFr32.040.

ABP, weak on Thursday, recovered SFr17 to SFr12.10.

FTSE Actuaries Share Indices

Jun 13 THE EUROPEAN SERIES

FIRE Eurotrack 100 2484.15 2436.37 2437.54 2436.72 2438.23 2438.11 2441.69

FIRE Eurotrack 200 2480.83 2482.11 2486.50 2470.21 2474.15 2475.71 2473.04

© 1997 London Stock Exchange Ltd. All rights reserved.

Jun 12 THE WEEK'S CHANGES

FIRE Eurotrack 100 +246.52 +286.82 +286.82 +286.87 +287.05 +287.05 +287.05

FIRE Eurotrack 200 +248.61 +247.17 +247.17 +247.17 +247.17 +247.17 +247.17

© 1997 London Stock Exchange Ltd. All rights reserved.

MILAN leapt 2.8 per cent higher on a flurry of buying spurred by hopes of a breakthrough in agreeing an Emu stability pact. The Commit index finished 21.90 higher at 793.78.

Savins shares in Telecom Italia, up L163 at L3,254, and Stet, L322 higher at L5,792, rebounded after their battering at the start of the week when the treasury said there would be no conversion of savings shares into ordinary stock. Parmalat remained volatile, down L11 at L2,471, as investors awaited the outcome of its bid to acquire Ault, the Canadian food group.

Against the trend, Mediolanum gave up L542 to L17,651 as Goldman Sachs cut its recommendation on the insurance and financial services group.

Among Europe's emerging markets, ISTANBUL was marked sharply lower as persisting political tensions brought the sellers out. The IMKB National-100 index dropped 5.7 per cent at one stage but then erased some of the loss to close down 44 on the day at 1,583.

Written and edited by Michael Morgan and Jeffrey Brown

ASIA PACIFIC

Selling pressure during late rallies wiped out TOKYO's earlier gains, although volume surged on transactions related to the day's special quotations for settling June futures and options contracts, writes *Glenn Robinson*.

The Nikkei 225 average slipped 36.11 to 20,528.35 after moving between 20,451.75 and 20,815.45.

Stocks opened higher as investors, encouraged by signs of currency stability and New York's gains overnight, drove the 225 index for the year of 20,815.45 in the morning. But share prices lost momentum in the afternoon as blue chip exporters fell on late waves of selling by domestic institutional investors, including investment management companies.

Other key indices advanced, with the Topix index of all first-section

stocks adding 3.80 to 1,530.26 and the capital-weighted Nikkei 200 up 0.98 at 295.2.

Volume surged from 448m shares to an estimated 812m. Declines led advances 543 to 457 with 164 unchanged.

In London, the ISE/Nikkei 50 index rose 4.48 to 1,604.58. Foreign investors continued to buy bank stocks, which rose 2.2 per cent as a group. Sakura Bank, the day's most active issue, added Y10 to Y120. Sumitomo Bank jumped Y60 to Y1,820. Sumitomo Trust and Banking Y80 to Y1,210 and Dai-Ichi Kangyo Bank advanced Y10 to Y1,380 and Nomura Securities Y20 to Y1,450, in spite of the widening scandal linking the two companies to corporate racketeers.

Blue chips fell prey to profit-taking. Sony fell Y10 to Y9,820, TDK Y30 to Y8,400 and Honda Y10 to Y3,600.

Nagoya Railroad, a regional rail operator, based on index futures-related sell-

ing in mid-morning, and then clambered back up again.

Blue chips were mixed while red chips were generally firmer.

Property stocks remained clouded by concerns about possible new government measures to cool property speculation.

SYDNEY ended the week at a record high, easily able to absorb profit-taking in News Corp and some banks that posted strong rises on Thursday. But Burns Philp, the food group, was at the centre of attention after an unnamed buyer snapped up 14.7 per cent of the shares before the opening bell.

The All Ordinaries index rose 17.2 to 2,655.3 and Burns Philp shot up 40 cents to A\$2.43. However, News Corp gave up 13 cents to A\$6.14.

BANGKOK closed at a 97-month low in the continuing absence of foreign demand and on further selling of bank stocks, hit by weak

earnings and low-quality assets. The SET index lost 4.16 at 515.80.

KUALA LUMPUR dropped 2 per cent as foreign investors took the lead in dumping shares after Malaysia announced a M\$2.1bn trade deficit to an already bearish market. The composite index lost 22.03 to 1,078.33.

SEOUl moved in the opposite direction, picking up 1.9 per cent to a near eight-month high as ample liquidity made for strong demand for banks and blue chips.

The composite index ended the day 14.49 stronger at 7,271.5.

BOMBAY built on an early advantage as renewed fund buying of index stocks pushed the market higher. The BSE-30 index closed 4.04 higher at 4,029.99.

Tata Tea rose Re7.25 to a 52-week high of Rs346 on demand prompted by better tbo expected 1996/97 results. Telco, the truck-

LONDON STOCK EXCHANGE - DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

The data is derived by Estat, part of Financial Times Information.

Details relate to those securities not included in the FT Share Information Services. The prices are those at which the business was done in the 24 hours up to 12.30pm on Thursday. They are not in order of execution but in ascending order which denotes the day's highest and lowest trades. For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant data. The size of individual deals are rounded to the nearest thousand and represented within parentheses, where available. # Bursaries of special prices. * Bargains done the previous day.

British Funds, etc

Generali Export Finance Corp PLC 50% Gencor Ltd Stk 1000 11/16/97 11/16/97

Corporation and County Stocks

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

British American Tobacco Group PLC 50% Gencor Ltd Stk 1000 11/16/97

COMPANIES AND FINANCE

St Gobain agreed £86m bid for Unicorn

By Peter Marsh

St Gobain of France, one of Europe's biggest glass-makers, yesterday reinforced its position as the world's biggest maker of abrasive products through an agreed offer to buy the UK company, Unicorn, for £25.5m.

Abrasives are used for finishing metals in a range of sectors including cars, aerospace and industrial equipment.

The cash offer, at 225p a share, represents a 45 per cent premium to Unicorn's closing price on Thursday.

Yesterday the shares jumped 64p to 219p. The valuation is 69 per cent above the flotation price.

Unicorn, which has its origins in the 1830s but was floated under its current name in December 1995, is the UK leader in abrasives, with pre-tax profits last year of £7.3m on sales of £102.1m.

It has 19 plants, seven of them in the UK, and employs 1,700 people.

Mr Jean-Louis Befia, chairman of St Gobain, said the acquisition represented "an important step in our strategy of enhancing the range of products we offer our customers."

A particular attraction was that the purchase gave St Gobain's abrasives division its first UK factory.

Mr Lindsay Bury, chair-

man of Unicorn, said the deal would provide a platform for further growth in both businesses, as the product ranges were complementary.

Mr Roger Brocklebank, analyst at Albert E Sharp, said the offer "represents good value for the shareholders and also has industrial logic".

A block of shareholders owning 33.7 per cent of Unicorn has told St Gobain it

will accept the offer. These groups include Apax, the venture capital company, which has a 30.7 per cent stake, and Unicorn's directors, who hold 3 per cent.

Apax became involved with Unicorn in 1992 when funds under its control bought the company from Burmah Castrol, the lubricants and chemicals group. For much of this century, the company traded as Universal Grinding Wheels, based in Stafford.

St Gobain does not reveal its revenues from abrasives, but these are believed to be about £1bn a year. Other companies with large shares of the global market include 3M of the US, Asahi of Japan, Germany's Winter and Diamant Boart of Belgium.

Dresdner Kleinwort Benson is advising St Gobain and Hamsons is acting on behalf of Unicorn.

Tilbury placing discount excessive

By Virginia Marsh

Philip Holzmann of Germany yesterday sold its 25.5 per cent stake in fellow construction company Tilbury Douglas, at 575p a share, only to see the stock end the day nearly 17 per cent higher.

The shares, which opened at 742.5p, fell almost 12 per cent to 655p after the placing was announced, before recovering to end at 670p.

Analysts, who rate the UK construction company highly, said they were amazed the stock, which had performed strongly this year, had been sold at such a discount.

"It is ludicrous that it was priced so low. Two weeks ago, you would have had to pay close to 800p for this stock," one analyst said. "We thought it would go for at least 650p. The fact that it ended at 670p, despite the size of the stake placed, shows that price was a lot closer to the mark."

UBS and Cazenove, which were joint lead managers, declined to comment.

It is understood, however, that Holzmann was keen to see a quick sale. Germany's biggest construction company is in the midst of cost-cutting and refocusing its operations after large losses at some overseas subsidiaries. It has insisted it will continue to work with Tilbury in Britain.

It originally purchased 14 per cent in the UK company in 1990. It is understood to have paid an average of about 550p for its holding, although it will benefit from the recent strengthening of the pound against the D-Mark.

However, the 25.5m before expenses that it will raise from the sale is below the DM 180m (£63.8m) to DM 200m range it said it expected when announcing the sale a week ago.

In the long term, analysts believe the placing will help the stock, which had been illiquid because of the Holzmann stake.

The company is also benefiting from improving conditions in the construction and property sectors. Pre-tax profits are forecast at £23m (£19m) and earnings per share at 46.2p for 1997. This gives a forward p/e of about 14 which, despite yesterday's fall, is still at a small premium to the sector.

Benchmark in £7.3m purchase

By Garry Rimmer

Benchmark Group, the property investment and development concern, has exchanged contracts to purchase the leasehold interest in 164 New Bond Street, and 11/14 Grafton Street, London, for £7.3m cash.

The property provides 21,667 sq ft in seven shops, three floors of offices, two residential units and 19 cars.

Earlier this month the group announced the acquisition of a portfolio of 11 properties in London, from Friends Provident Group and Wool House, in London, from Ghelbl, together with a 1-for-1 rights issue at 200p to raise £119m.

No bar to chocolate makers' merger

By Christopher Price

The UK government yesterday approved the merger of two of the biggest suppliers of chocolate to the British independent confectionery market.

Barry and Callebaut have 73 per cent of the £240m "open market" for confectionery, the basic chocolate product used in a variety of confectionery. The two groups, however, have only 15 per cent of the overall confectionery market, which is dominated by Cadbury Schweppes, Mars and Nestle. These supply their own confectionery.

A second tier of companies, including United Biscuits and Terry's Suckard, also have a higher proportion of the total market than the proposed merged group.

The merger is part of the acquisition by Callebaut, the French manufacturing group headed by the Swiss financier Mr Klaus Jacobs of Société Centrale D'Investissements et Associés, which owns Barry. The proposed takeover has already been barred by the Belgian competition authorities.

Mr Nigel Griffiths, the UK competition and consumer affairs minister, accepted the recommendation of the Monopolies and Mergers Commission, which said that other confectionery manufacturers could act as alternative suppliers to Barry and Callebaut. The MMC also said that

barriers to entry to the industry were not high and other manufacturers could be drawn in.

This latter point won support yesterday from two of the deal's stiffest critics, Bendicks and Thorntons, the speciality chocolate groups. Both buy a large proportion of their confectionery from Barry and Callebaut, but said there were already signs of new suppliers emerging, prompted by the proposed deal.

"Others are seeing this as an opportunity, without doubt," said Mr Peter Baldwin, operations director of Thorntons. He said this ranged from existing smaller suppliers, looking to increase output, to others considering entering the manufacturing process. This included a group of former Barry managers who had secured backing to build a new plant.

Mr Paul Settel, managing director of Bendicks, said he hoped Barry would pass merger cost savings on to customers, as it had indicated to the MMC. However, he added: "There are alternative suppliers emerging."

Both men said their initial hostility to the deal had since been tempered by the latest developments. Callebaut was unavailable for comment.

Mr Griffiths said the MMC had suggested that some customers could be expected to enjoy significant bargaining power and that the pricing of confectionery was relatively transparent.



Klaus Jacobs, head of the Callebaut group of France

Netscape claims ransom attempt

By Louise Kehoe
in San Francisco

Netscape Communications, the leading internet software company, yesterday complained of an attempt to hold it to ransom by a Danish software developer, who claims to have found a serious security flaw in the latest version of Netscape's browser programme.

Netscape yesterday said it was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Christian Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape on Monday.

Mr Orellana said he was attempting to verify the software bug, but was hampered by the lack of technical details. The bug was, however, demonstrated to technicians in the testing laboratories of PC Magazine, a leading US personal com-

puter publication, said Mr Michael Miller, its editor.

According to Mr Miller, the bug enabled a rogue website to read files from the hard disk of a PC without the knowledge or permission of the user. However, the website operator could only read files for which they had the file names, Mr Miller noted.

Mr Orellana, of Cabocom, in Aarhus, contacted Netscape

COMPANIES AND FINANCE: INTERNATIONAL

Optus picks third chief in 18 months

By Nikki Tait in Sydney

Optus Communications, Australia's second telecoms carrier, which is poised to float on the stockmarket, yesterday announced a management shake-up which will install its third chief executive in 18 months.

Mr Ziggy Switkowski, who joined Optus from Kodak Australasia in April last year, is resigning.

He will be replaced by Mr Peter Howell-Davies, who has been chief executive of Mercury Communications of the UK for the past two years.

Mr Russ Fynnmore, Optus chairman, is also stepping down. Mr Bob Daiziel, chief executive at Mayne Nickless, becomes deputy chairman and will take on the chairman's duties until a permanent replacement is found.

Mercury is now part of Cable and Wireless Communications, the telecoms and cable television group formed from the merger of Mercury, the UK telecoms business of Cable and Wireless, with the cable companies Nynex CableComms, Bell Cablemedia and Videotron.

Cable and Wireless, which holds 52 per cent of CWC, is also owned 24.5 per cent of Optus, and Mr Howell-Davies previously served as a C&W representative on Optus' board between 1993 and 1995.

Optus' other shareholders

include BellSouth of the US (24.5 per cent), Australia's Mayne Nickless (23 per cent), and a number of Australian institutional investors.

Changes had been rumoured for several days, with investors said to be unhappy about the way in which the company was tackling some strategic problems – particularly those associated with Optus Vision, its troubled pay-TV offshoot.

Yesterday's statement gave no official reason for the changes, although Mr Howell-Davies stressed that his "first task" would be "to work directly with the shareholders to ensure that Optus Vision is handled in an expeditious way".

Optus, which was formed in the early 1980s to provide competition in the long-distance and mobile markets with Telstra, the large federal government-owned group, lost its first chief executive in late 1995 when Mr Bob Mansfield resigned to join John Fairfax, the Australian

newspaper publisher.

After a hiatus, Mr Switkowski was appointed in April 1996.

The changes in management hampered plans to list the group's shares on the stockmarket – a move which would probably value the group at about A\$4bn (US\$3.1bn).

The float was then further delayed late last year, when a legal tussle developed over the lossmaking Optus Vision pay-TV consortium, in which Optus was an important investor.

This wrangle was finally settled two months ago, with the telecoms group agreeing to buy out its partners. Optus and Optus Vision are attempting to integrate their operations.

Mr Switkowski said last month that the group was still committed to floating "as soon as possible" and, a few months earlier, had indicated that it hoped to undertake this in the current financial year.

But yesterday Optus declined to suggest any likely date, although some analysts think it might be well advised to approach the market ahead of Telstra, which the federal government is preparing for privatisation.



Peter Howell-Davies: to work with shareholders to ensure

Optus Vision is handled "in an expeditious way".

The move of Mr Howell-Davies, who has led the restructuring of the Mercury business over the past two

years, is timely, since his position at Mercury disappeared as part of the CWC merger.

Vodafone appoints head for Australia

By Christopher Price

Vodafone Group, the biggest UK mobile communications company, has appointed Mr Brian Clark, former chief executive of Telkom, the state-owned South African telecoms group, to head up its cellular operations in Australia.

Mr Clark will replace Mr John Peet, who is returning to the UK.

Australia is Vodafone's largest overseas market, with 220,000 subscribers. In the year to March 31, Vodafone's Pacific Rim business, which is principally its Australian operations, made operating losses of £42m (\$63m).

Although this was an increase of £6m, the company said adverse trading conditions in the Hong Kong telecoms market were largely responsible for the dip. Sales were £130m.

Mr Clark's relationship with Vodafone began in 1995, when he was appointed a director of Vodacom, Vodafone's South African cellular joint venture with Telkom. Vodacom now has 600,000 subscribers and is the biggest operator in South Africa.

tough measures to ensure long-term competitiveness.

Electrolux has been the victim of extremely weak market conditions, particularly in its big European white goods operations, in recent years. But Mr Treschow emphasised that the problems were rooted more in structural factors.

The case for rationalisation is strong on both sides of the Atlantic. Electrolux's working capital efficiency, calculated as output per square foot, is well below that of Whirlpool of the US, its closest competitor.

The group is burdened by over-capacity in Europe, while in the US it has struggled to earn money in a market dominated by Whirlpool and General Electric.

Rationalisation will focus on the divisions with poorest profitability. These are household appliances, where the operating margin has averaged 2.7 per cent over the past five years, and commercial appliances, which had a 1.7 per cent margin last year.

Hitting margin targets will require roughly a doubling of operating profits from last year's figure of SKr4.4bn (\$656m) on sales of SKr110bn.

Clearly, the two-year restructuring drive will need to yield substantially higher savings than the SKr2.5bn it will cost the company. But Electrolux should have little difficulty surpassing this figure. The shedding of 12,000 jobs would save about SKr1.6bn at average European wage rates.

The market seems to concur. Mr Chris Hemmings, a London-based capital goods analyst at Lehman Brothers, yesterday upgraded the share from market underperform to market outperform.

"It has been clear for some time that the share price on the basis of the assets in the business is one of the lowest-valued in Europe," he said.

Electrolux job cuts lift shares 12%

By Greg McInroy in Stockholm

Shares in Electrolux of

Sweden, the world's largest supplier of household appliances, surged another 12 per cent yesterday, for a two-day gain of 26 per cent, as investors backed the group's far-reaching restructuring announced on Thursday.

The cutting of 12,000 jobs

– 11 per cent of Electrolux's

workforce – has put much

steam into the group's

stock after more than two

years of sluggish perfor-

mance, trailing the Stock-

holm bourse's general index.

Yesterday the most-traded

B-shares rose to a record

high of SKr600 before slip-

ping back to close at SKr552,

up 5.6%.

Mr Clark will replace Mr

John Peet, who is returning

to the UK.

Australia is Vodafone's

largest overseas market,

with 220,000 subscribers.

In the year to March 31, Vodafone's Pacific Rim business, which is principally its Australian operations, made operating losses of £42m (\$63m).

Although this was an

increase of £6m, the

company said adverse

trading conditions in the

Hong Kong

telecoms market were

largely responsible for the

dip. Sales were £130m.

Mr Clark's relationship

with Vodafone began in

1995, when he was

appointed a director of

Vodacom, Vodafone's

South African cellular

joint venture with Telkom.

Vodacom now has 600,000

subscribers and is the

biggest operator in South Africa.

At Atlas, Mr Treschow

carved out a strong reputa-

tion for focusing on margins.

Arriving at Electrolux, he

soon saw the need for exten-

sive surgery if the group was

to reach its own targets.

The aim of a 6.5-7 per cent

operating margin and 15 per

cent return on equity dates

back to Mr Johansson's ten-

ure, but he never reached

these goals.

"It was quite simple: some-

thing had to be done," Mr

Treschow said at Thursday's

news conference. Asked about Mr Johansson's inability

to raise margins, he said:

"It represents a failure."

After bolting his first

executive management meet-

ing on May 5, Mr Treschow

summoned the group's 80

top managers the next day

and asked them for sugges-

tions on how to raise profits.

Employees have greeted

the plan as constructive.

Electrolux's Swedish trade

units are supporting Mr

Treschow's plans, accepting

Herman receives vote of confidence at Opel

By Haig Simonian, Motor Industry Correspondent

Mr David Herman, the General Motors executive who has steered Opel, GM's German subsidiary, through one of its toughest periods, is to remain in charge for another five years.

Opel's supervisory board said yesterday it had extended his contract, citing the efforts he had made to improve the competitiveness of Opel's German operations.

Mr Herman also played a leading role in GM's long battle with Volkswagen over alleged industrial espionage.

The three-year dispute, settled last January, turned on GM's allegations that Mr Jose Ignacio Lopez, its former head of purchasing, took confidential material with him when he defected to VW.

The extension provides for some continuity after the surprise resignation earlier this week of Mr Jürgen Stockmar as Opel's head of research and development.

Mr Stockmar, who joined Opel from Audi, the executive cars subsidiary of VW, is being replaced by Mr Peter Hanenberger who, while based in Germany, has

been head of design, product and manufacturing engineering for GM's international operations.

Under Mr Herman, who formerly headed Saab, the Swedish carmaker in which GM has a 50 per cent stake and management control, Opel has consolidated its role as the fulcrum for GM's expansion outside the US.

In recent years, Opel's German technical development centre has become the focus for GM's new international vehicle and manufacturing projects. These include the "lean manufacturing" techniques pioneered

at Opel's plant at Eisenach in the former East Germany.

The experience gained at Eisenach, which was developed from earlier joint ventures between GM and Japanese carmakers in North America, is being incorporated in GM plants under construction in Thailand, Argentina and China.

GM yesterday laid the foundation stone in Shanghai for its pan-Asian technical automotive centre, part of its \$1.5bn plan to build large family cars in China.

GM said the \$500m centre would eventually provide engineering and product

development for the group's Shanghai carmaking joint venture and for unspecified "other automotive manufacturers in China and across Asia".

GM's latest international push, which is being masterminded by Opel, is into the former Soviet Union. The company is in talks to build cars in Russia and the Ukraine. Both sets of negotiations are being led by Mr Herman, a lawyer with a former academic interest in the region.

However, the departure of Mr Stockmar, who took charge of Opel's research

and development in November 1994, demonstrates there are potential pitfalls in the twin use of Opel as GM's German brand and as the spearhead of its international ambitions.

Mr Stockmar's resignation is believed to have been triggered by structural changes, linked to the division of responsibilities between the functions of the Opel R&D boss and those of GM's German-based international product development head.

Significantly, his job is being taken by Mr Hanenberger, who formerly held the latter post.

However, the share price on the basis of the assets in the business is one of the lowest-valued in Europe," he said.

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd is a co-founder of the Indices.

FT/S&P ACTUARIES WORLD INDICES

The following table shows the number of lines of stock of the FT/S&P Actuaries World Indices.

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd is a co-founder of the Indices.

FT/S&P ACTUARIES WORLD INDICES

The following table shows the number of lines of stock of the FT/S&P Actuaries World Indices.

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd is a co-founder of the Indices.

FT/S&P ACTUARIES WORLD INDICES

The following table



Snakes alive

'Snake is tasty but not filling - you have to pick the stringy flesh off the skeleton with your teeth'



Heh, Mr Postman

'Running a mail order business is not necessarily a licence to print money - it's an industry littered with casualties'



One for the record

'Nicklaus has finished in the top three in no fewer than 49 grand slams, a level of consistency that almost defies belief'

Page XVIII

Page X

Page IX

The Celts - it was all just a myth

Ancient Celts have been hailed as the 'first great nation north of the Alps'. Simon James argues that no such nation ever existed

Last week I received an e-mail message accusing me of genocide. It came as a shock to an archaeologist accustomed to the peace of museums, lecture-rooms and a little summer excavation, to find himself and his colleagues charged with a kind of ethnic cleansing.

The source of this scholarly fury is the question of whether the "Ancient Celts" ever really existed. Everyone has heard of these Celts, established in Europe over 2,000 years ago. It is widely accepted that they were the direct common ancestors of several modern peoples, notably the Scots, Irish, Welsh and Bretons. For evidence of the idea's penetration in the popular media, turn to Asterix the Gaul.

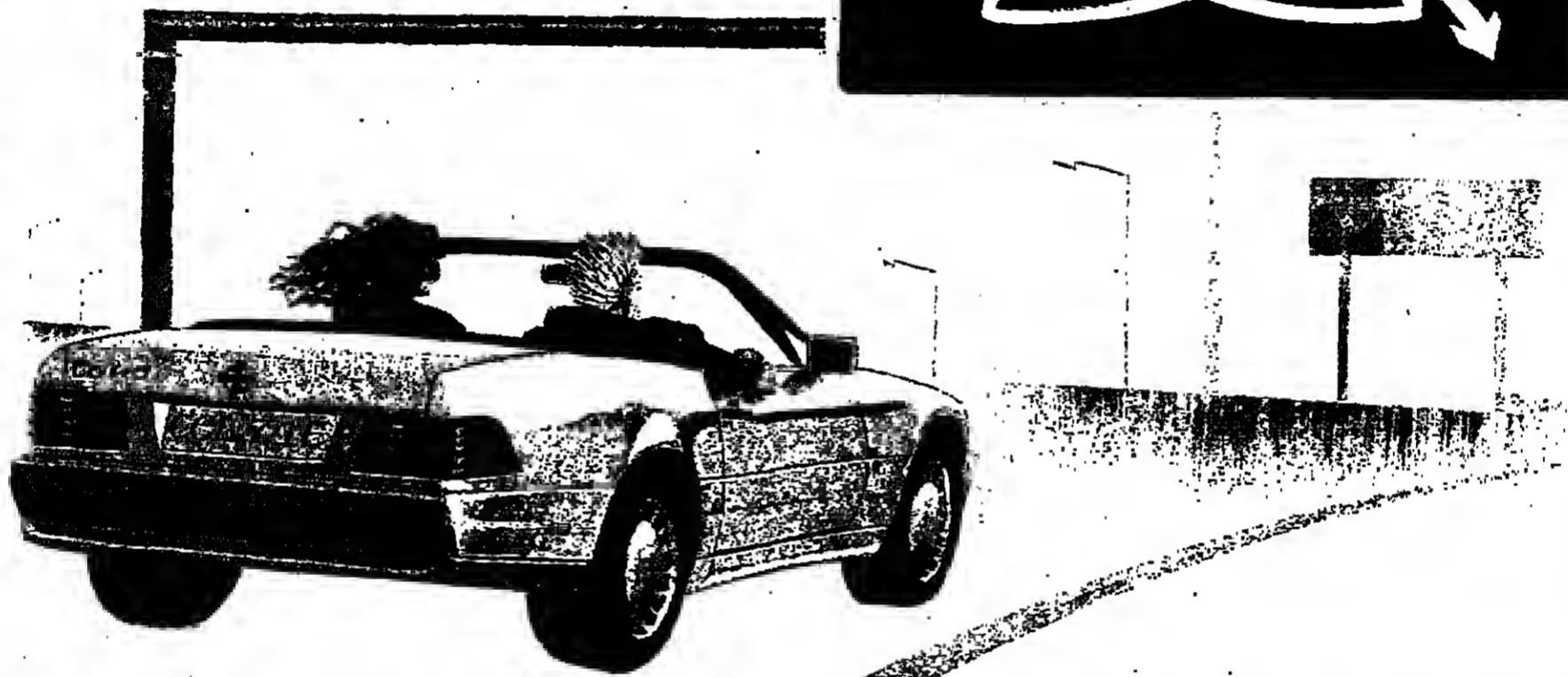
Scholars in archaeology, art and linguistics have also taken for granted the historical reality of Ancient Celts - T.G. Powell's *The Celts*, published in 1988 and still in print, calls them the "first great nation north of the Alps". So why is a concept so well-established being questioned at all? Why should societies so remote in time provoke such violent debate?

The received histories of the modern peoples of the British Isles reflect the struggles of the smaller nations to retain their identities in the face of English cultural pressure. The agreed framework of "Celt versus Anglo-Saxons" was written into the "island story", the accepted understanding of the rise of the British Empire.

With the imminent withdrawal from Hong Kong, this imperial society is in the last stages of dissolution. In its aftermath, many scholars feel a deep need to test all the basic assumptions about Britain's national origins. This is making pre-Roman communities a sensitive subject in the late 20th century.

The Ancient Celts are often conceived as one uniform people who, emerging in Central Europe by the early Iron Age (before 500BC), migrated in many directions, carrying their culture with them. Baldly, this cultural package comprises related languages, common social and religious structures, including a warrior elite, Druids, and characteristic artefacts. These last, notably weapons, jewellery and crosses, are frequently decorated with the swirling abstract patterns of "Celtic art" (the La Tène style).

By 200BC, such Celts had migrated as far as Britain, Ireland, Spain and Turkey. After Roman times, the remnants of Celts were confined to the westernmost fringes of Europe. It's a sim-



ple and attractive picture.

Unfortunately, it doesn't work. Since the second world war, the harder Celtic archaeologists tried to find traces of Iron Age Celts invaders, the more elusive they seemed. In 1964, Roy Hodson, a leading scholar, proposed that most of the archaeology of the British Iron Age made best sense as a development of indigenous Bronze Age traditions, without any big migration of Celts from the continent.

Our earliest documentary sources are Greco-Roman authors. Julius Caesar recorded Celts as the name of just one of the three parts of Gaul (roughly France) which he conquered in the 50s BC. So the Celts - some of them, at least - did indeed call themselves Celts. But there is no evidence that the Celts or Irish did.

Romans used "Celt" only for continental European peoples. In fact, Britons or Irish people of any date up to 1700 would have been surprised to hear themselves called Celts. So where did it come from, this notion of "common Celtness" going back to ancient times?

It is not unambiguous historical knowledge which has come down to us from the Iron Age. I am one of those who now believe that the Ancient Celts were not so much discovered as gradually invented. It is actually a surprisingly recent scholarly interpretation, constructed from disparate fragments of genuine evidence to bolster a preconception of a unified Ancient Celts.

Renaissance scholars, devouring Graeco-Roman texts to learn more of the lost Roman world, encountered descriptions such as

Caesar's of northern barbarians including the Gauls, Britons and Irish. For centuries these texts were almost the only historical knowledge the peoples of France and the British Isles had of their pre-Roman forebears.

Around 1700, early linguists demonstrated that modern Irish, Scots Gaelic, Welsh, Breton and similar languages were uniquely related to each other, and were also related to the ancient Gaulish tongue. In 1707, the great Welsh scholar Edward Lluyd named this newly defined family of languages "Celtic".

Others rapidly extended the meaning of the term. Within 20 years the antiquary, William Stukeley (inventor of the modern conception of Druids), was labelling British ancient monuments "Celtic". By the 1770s, Johnson and Boswell could encounter a Highland clergyman who believed them to be ancient Celts from Turkestan to Skye.

The linguistic connection between north-west European peoples inspired the idea that late prehistoric Britain and Ireland were part of a far-flung "ethnic" Celtic world. Why was this new idea of Celtness adopted so enthusiastically in the British Isles?

It was largely due to politics.

In 1707, the Union of England and Scotland into Great Britain was enacted.

Many educated people felt a growing need to redefine and defend the non-English identities of the west and north - but the ancient term "British" had been pre-empted by the new Anglocentric super-state.

Lluyd's provision of "Celtic" as an alternative joint ethnic name for peoples

of the British Isles, but not the English, was timely and, I believe, deliberate. The notion that modern peoples in the Atlantic Archipelago were and Celts were largely a response to an equally new-fangled invention: British national identity.

Once the idea of a common Celtic Antiquity was established, scholars progressively fleshed out the bones. They incorporated material such as medieval Welsh and Irish myths (the *Mabinogion*, the *Tain Bó Cuailnge*).

The paradox is that, for millions, some kind of common Celtic identity is a reality today

Later, archaeology became an important plank in the Celtic bandwagon.

Only in the 19th century did pioneer archaeologists develop methods permitting them to find and properly categorise physical traces of ancient peoples. Newly identified Iron Age material was inevitably interpreted in terms of the prevailing Celtic model. Widespread discovery of La Tène-style art objects seemed to confirm the assumed Celtic invasions.

Over recent decades, archaeology has undergone a revolution in its thinking. Digs and surveys have brought an explosion in knowledge, from the pollen

of ancient crops to the layout of settlements and entire landscapes. This has occurred in tandem with great strides in understanding what such archaeological evidence can tell us.

Anthropology, for example, showed that traditional societies were nowhere near as timeless as archaeologists had assumed, so that innovations such as the appearance of new kinds of art, brooches or pots, need not be explained only by invasions.

For decades it has been clear that all was not well with the simple model of Ancient Britain peopled by migrating Celts. Archaeologists searched in vain for unequivocal evidence of such invasions, but turned up growing testimony for continuity from the preceding Bronze Age.

The houses Iron Age Britons built, the ways they made a living and the ways they disposed of their dead generally hark back to earlier Britain, not to central Europe.

The archaeology of the British Iron Age attests a mosaic of diverse local and regional traditions. To most archaeologists this represents a complex, shifting pattern of regional identities, which actually fits with what we know of Britain down to post-medieval times: travel was hard, most people's horizons were narrow, and it was their home area which defined their main self-identity.

For these Iron Age peoples, loosely describable as clans and tribes, even the name "Britons" is really a geographical description, not a label for a homogeneous ethnic identity. (This has underlined just how artificial the whole notion of uni-

form European Celts is.) Some of these peoples were certainly in close contact with the European mainland, exchanging goods, styles, ideas, and surely some people.

But most British groups do not fit the Celtic cultural package, seeming to be relatively egalitarian farming communities lacking warrior nobles, or much sign of splendid La Tène metalwork. They probably did speak languages we would call Celtic - yet the Portuguese, French and Romanians all speak romance languages, but still remain ethnically and culturally distinct.

Some archaeologists stoutly defend more traditional interpretations, pointing out, rightly, that there are very important similarities, as well as differences, across ancient Celtic Europe. The fur has been flying between the vociferous on both sides of this debate. Professor Vincent and Dr Ruth Megaw (Flinders University, Australia), charge that all this is really an assault on the identities of the modern Celtic peoples, supposedly motivated by English neo-colonialism and Euroscepticism.

Meanwhile John Collis, professor of prehistoric archaeology at Sheffield University, has pointed up the nationalist and even neo-fascist and racist dangers of uncritical Celtic history. At times the debate has lost all sense of proportion, but it does show how deeply felt these issues can be.

Other scholars such as J.D. Hill, archaeology lecturer at Southampton, have been quietly continuing a Post-Celticist conceptual revolution. This line of thinking is in the spirit of current

among academics, particularly in Britain, where many are in the throes of a post-imperial self-examination.

It is not only the meaning of Celtic which is under post-colonial scrutiny, but equally Roman, English and British. These are all now seen to be, to varying degrees, recent artificial constructs retrojected on the past - and which may therefore be hiding other, perhaps better, ways of understanding earlier societies.

Such new interpretations are clearly underpinned by ideology - but then, scholarship always has been. The views of the past, which archaeologists or any other scholars produce, are coloured by their own present.

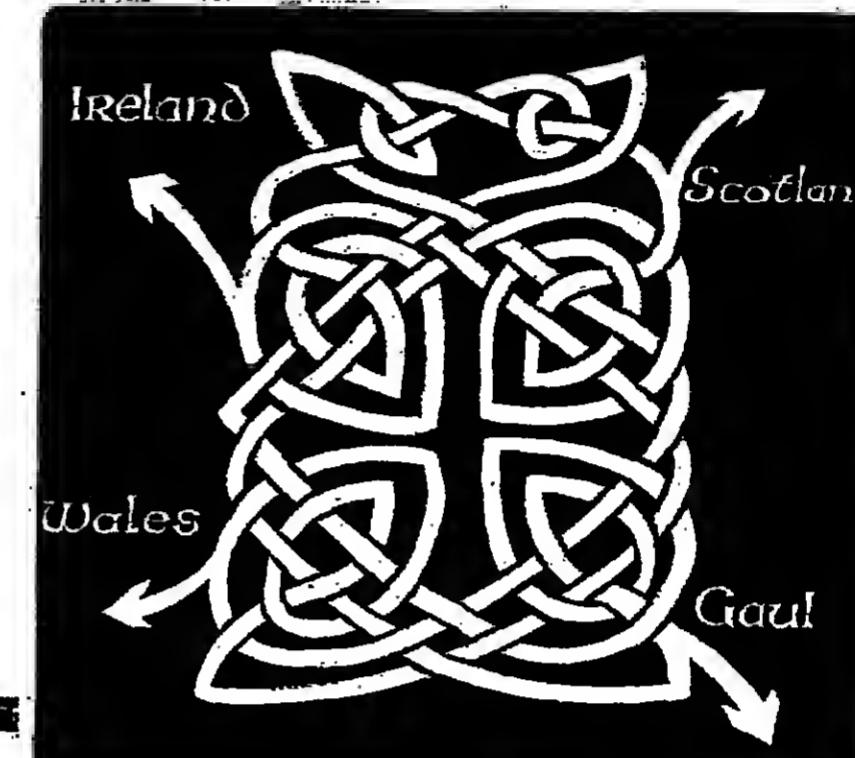
The paradox is that, for millions, a common Celtic identity of some kind is a reality today, but the received history which has underpinned it is largely a fiction. Yet this is widely true of national or ethnic identities - not least that of the English. If scholars have reason to believe that these agreed histories are materially false, it is their responsibility to say so.

British Iron Age archaeologists have been accused of genocide, but the irony for me, at least, is that forcing blanket Celtness on past peoples has probably consigned their own, diverse identities to oblivion.

Next month, the British Museum opens a new permanent exhibition of one of the world's finest collections of Iron Age European art and archaeology. The name of the new gallery - Celtic Europe - is unsatisfactory to many academics, but the museum faced a dilemma. "Celtic" conveys some meaning to many people, whereas less loaded terms such as "Iron Age" convey little. What to do?

Society simply accepts Iron Age Celts as a fact, and has made it part of itself. Scholars started the Ancient Celts here running. The hare has turned into a chimaera, and the debate over how to deal with it is only just beginning.

This article is based on one in the summer issue of British Museum Magazine, price £4 (inc p&p), from British Museum Society, London WC1B 3DG.



This week's contents and columnists

| | |
|-------------------|------------|
| Arts | VII, VIII |
| Arts Guide | XXI |
| Books | V, VI |
| Bridge and Chess | II |
| Crossword | II |
| Fashion | X |
| Food & Drink | XVIII, XIX |
| Gardening | XIX |
| How To Spend It | X, XI |
| Lunch with the FT | III |
| Motoring | XX |
| Perspectives | II-IV |
| Property | XI-XV |
| Joe Rogan | II |
| Small Businesses | II |
| Sport | IX |
| Travel | XV-XVII |
| Weekend Investor | XXI, XXII |



Joe Rogan

Free to be poor

'You need taxpayers' money to help the worst-off, or they will be dead before they are rescued'

Page III

Arcadia

Over the hump

'In the featureless desert to the south, tiny specks appeared. The herdsman had found our camels.'

Page XXIV

HANDBOOK OF CELTIC STUDIES
Edited by D. H. Williams

Briony

HERBIE FROGG

43 Hans Crescent, London SW18 8LZ
Tel: 0181 674 2180 Fax: 0181 674 0523

PERSPECTIVES



Beni Plasschaert: Initiating Asian kitchen staff into the strange new world of pastrami and terrines

Minding Your Own Business

Rich in happiness and foie gras

Andrew Eames talks to a Gent charcutier who now travels the world as hotel consultant

Beni Plasschaert, charcutier, is reinvigorating himself. He is shedding his striped apron and setting up his stall as Beni Plasschaert, hotel consultant. It's goodbye to the shop in Belgium, and hello to the first-class hotels of the rest of the world.

Plasschaert, now 48, has reinvented himself before. When the young Beni first opened a charcuterie in downtown Gent, 23 years ago, he met an unexpected difficulty. Although he grew up just 20 miles away and married Nadya, a native of Gent, those 20 miles lay in the wrong direction – in the Netherlands. "The Belgians don't trust the Dutch," he says, "and they think we don't know anything about food."

It was this antipathy, his accent, and a customer's remark that he looked Italian, that prompted him to create Benito, the Belgian Italian, complete with straw hat and logo.

Thus, almost by accident, Beni became his own brand. His trademark was the creation of recognisable products – cured meats, bacon, sausages, pâtés and terrines – with a touch of originality. For example, at the beginning of this year he made a cruelty-free foie gras by combining duck liver with corn, a product that went down so well it was reported on Belgian television.

Over the years, the Benito recipes gathered momentum. Now word has got round of his new enterprise, several Belgian food companies have made bids to buy a package of the recipes.

So far, the highest bid has been \$100,000 for Benelux rights to the recipes plus the Benito name. "I

am using an agent," says Plasschaert, "because if I met the man and liked him, I'd just give it away."

He has had the opportunity to change direction before, most notably when an American approached him with a proposal to start a chain of Benito delicatessens in the US. Despite the full limousine treatment on a coast-to-coast tour, he wasn't impressed. "I didn't like the man."

His business approach is like his cooking: personality-led and instinctive. "I'm a creator," he says. The expenses of his new

suitant to show staff how to work well with their hands, rather than spending a lot more on machines no one can use.

In fact, Plasschaert makes most products with a fairly inexpensive commercial blander, and he is not afraid to improvise. In one of his current projects – a kitchen for a new hotel in Bali – he has already made a smoker out of an old washing machine.

Along the way he is initiating Asian kitchen staff into the strange new world of foie gras, pastrami and terrines – and he has nothing but praise for the way they respond, even with very basic shared language.

With plenty of money in the bank ("I'm rich in happiness, too"), he has no particular ambitions to make a fortune from his new career. Putting a price on his Oriental manager was his first ticket.

Nadya says I'm crazy, but it's a real honour being able to walk where I like in one of the world's best hotels, and being called chef Benito."

This project has proved to be the spark that ignited the new career. Consultancy contracts are being gained throughout Asia as recommendations spread.

His original Oriental contact, for example, is now working in Korea, where he has been asked to repeat his Bangkok experiment.

"Very clean hotel, very nice machine – but they didn't know how to work with them."

But it is his emphasis on the product, not the machine, that pulls in the new business.

The catalyst for this latest, radical move – it will mean living in a new part of the world – was a visit, five years ago, from the Swiss food and beverage manager of Bangkok's Oriental Hotel. After a career during which Plasschaert

career are generally met by his customers, so he has little need for capital. Nevertheless, he is selling a business which has taken him 23 years to bring to maturity and which continues to generate increasingly healthy profits. Someone else may have been tempted to delegate it to a manager and harvest the revenue. But Plasschaert is only happy in an enterprise when he's doing it himself.

The catalyst for this latest, radical move – it will mean living in a new part of the world – was a visit, five years ago, from the Swiss food and beverage manager of Bangkok's Oriental Hotel.

After a career during which Plasschaert

see the sense in paying for a con-

sultant to show staff how to work well with their hands, rather than spending a lot more on machines no one can use.

In fact, Plasschaert makes most products with a fairly inexpensive commercial blander, and he is not afraid to improvise. In one of his current projects – a kitchen for a new hotel in Bali – he has already made a smoker out of an old washing machine.

Along the way he is initiating Asian kitchen staff into the strange new world of foie gras, pastrami and terrines – and he has nothing but praise for the way they respond, even with very basic shared language.

With plenty of money in the bank ("I'm rich in happiness, too"), he has no particular ambitions to make a fortune from his new career. Putting a price on his Oriental manager was his first ticket.

Nadya says I'm crazy, but it's a real honour being able to walk where I like in one of the world's best hotels, and being called chef Benito."

This project has proved to be the spark that ignited the new career. Consultancy contracts are being gained throughout Asia as recommendations spread.

His original Oriental contact, for example, is now working in Korea, where he has been asked to repeat his Bangkok experiment.

"Very clean hotel, very nice machine – but they didn't know how to work with them."

But it is his emphasis on the product, not the machine, that pulls in the new business.

The catalyst for this latest, radical move – it will mean living in a new part of the world – was a visit, five years ago, from the Swiss food and beverage manager of Bangkok's Oriental Hotel. After a career during which Plasschaert

see the sense in paying for a con-

The Nature of Things

A powerful genetic punch

Human molecules have much in common with the tiny fruit fly, finds Clive Cookson



A swarm of fruit flies: 'Drosophila genes are closer than worm genes to humans'

research, and there are rumours that a couple of others are being formed.

Cambridge alone has 125 *Drosophila* researchers in 20 separate groups, Ashburner says. Worldwide the number of fly people, as they call themselves, has risen to 5,000.

Geneticists have been studying *Drosophila* since 1910, when Thomas Hunt Morgan adopted it as a "model organism" for research at Columbia University in New York. The tiny fly has several advantages. It is extremely easy to breed and look after in the laboratory – the housing requirements are no more than a small glass tube with food at the bottom and a cotton plug at the top – and its life-cycle lasts only two weeks.

Many of the findings of classical genetics, including the fact that genes are bundled into chromosomes, were made with fruit flies. But *Drosophila* dropped from favour in the 1980s, as scientists followed up the discovery of DNA by studying molecular biology in the simplest organisms available:

viruses and bacteria. They started returning to the fly in the 1980s, to find out how genes work in more complex multicellular animals.

Drosophila began to shine again as a genetic star in the late 1980s and 1990s, as the stories followed up the discovery of DNA by studying molecular biology in the simplest organisms available:

emerged. The first striking demonstration of this was in the development of embryos, the master gene that controls the growth of specialised organs were essentially the same in flies as in mammals.

The fly people are now moving forward fast. Within

the past year they have provided important genetic clues to human memory, circadian rhythms (our internal body clock), male sterility, sexual behaviour and skin cancer.

George Scangos, chief executive of Exelixis, esti-

mates that between 75 and 80 per cent of human genes have a fly counterpart and vice versa. Although we have around 70,000 genes and flies have only 10,000, most human genes are duplicates or elaborations of their insect equivalents.

genes, they will be able to understand the homologous biochemical pathways in people – and find the best place to intervene in the disease process.

Although the fruit fly is the leading model organism for genetic research, it has several rivals. The tiny worm *Ceenorhabditis elegans* is the closest competitor. One advantage of the worm is that its genes are easier to manipulate than those of the fly, and its entire genetic code will be worked out before the fly's. On the other hand Ashburner, a dedicated fly man, says: "Drosophila genes are closer than worm genes to humans."

Another model organism that is rapidly gaining a following among geneticists is the zebrafish, a common aquarium fish. Christiane Nüsslein-Volhard, the German researcher who pioneered the study of embryonic development in *Drosophila*, has defected to the fish.

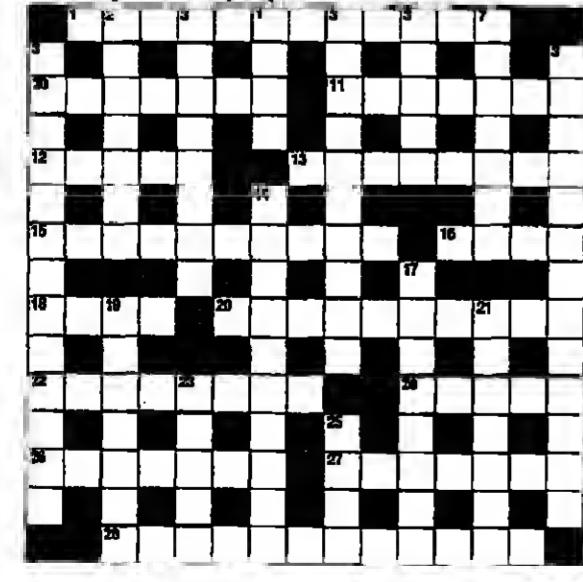
"There is real rivalry over resources and people between groups working on different model organisms," Ashburner says.

For the moment, the fly people are on top. But no one should have any nightmares about mad scientists creating human-fly hybrids. For all their chemical similarities, molecules from insects and people would not really be able to work together in a single body.

CROSSWORD

No. 9.401 Set by CINEPHILE

A prize of a classic Pelikan Souvenir fountain pen for the first correct solution and four runner-up prizes of Pelikan M500 fountain pens. Solutions by Wednesday June 25, marked Crossword 9.401 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution Saturday June 30. Please allow 2-3 days for delivery of prizes.



WINNERS 9.389: A.H. Pepperdine, Bath; R. Douglas, Newton Mearns, Glasgow; Mrs A. Nicol, London W3; K.J. Woolley, Pontefract, W. Yorks; S.R. Price, London NW2.

Pen

BRIDGE

CHESS

Local inter-club leagues have long been the backbone of UK chess, but their character is changing. Adjudication by an expert of unfinished games is giving way to speed chess finishes, while at the top, the successful Four Nations Chess League has encouraged more grandmasters and masters to compete.

Take the Eastman Cup, an annual knock-out for London League clubs, which for years attracted only a handful of weaker teams. Recently the prestige of its long tradition has attracted a stronger entry, so that five GMs and four IMs played in the 1997 final where Wood Green beat Charlton 6½-3½.

The all-IM board three game was a lesson in a popular Queen's Gambit formation where White exchanges

cards then advances his b-pawn to weaken Black's pawns and open a file for rooks.

When White vacillated with his rooks at d1 and e1 before switching to b1 at move 14, Black took advantage with his own rook manoeuvre Rad8-d6-h6, a plan worth remembering since it can often occur in similar positions. Black's queen then joined in for a decisive strike against the poorly

defended white king. Oblivious to danger, White fell for a neat queen sacrifice (M. Turner v A Martin).

1 c4 e6 2 Nc3 d5 3 cxd5 exd5 4 d4 Nf6 5 Bg5 Nbd7 6 e3 Be7 7 Bd3 0-0 8 Nf3 Rg8 9 0-0 Nf6 10 Qc2 c6 11 Rad1

Nh5 12 Bxf7 Qxf7 13 Rfe1 Bg4 14 Rb1 Rad8 15 b4 Rg6

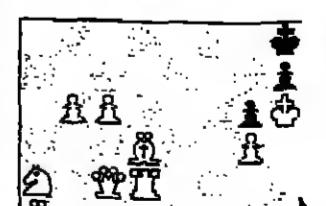
16 b5 Rb8 17 bxc6 Rxc6 18 h2

Qh4 19 Nc4 Bxb5 20 Bf5 Bxf2

21 Qd5 Qh1+ 22 Resigns. II

22 Kf1 Ng3+ 23 Kg1 Rxf2

No 1184



As White (to move) you have almost a full complement of pieces against a cornered king and a few pawns but there is a whiff of stalemate, a draw where Black has no legal moves but is in check. Puzzle-find White's quickest way to victory.

Solution back page

Leonard Barden

Paul Mendelson

happiness
ie gras

PERSPECTIVES



Joe Rogaly

Market victims who are free to be poor

One set of figures shows the capitalist road leading to paradise; a better set shows it leading to misery for many

When pictures of skeletal children or abandoned babies appear on the TV news do you (a) lean forward to catch the commentary (b) change channels (c) switch off and head for the kitchen? Some of us have seen abut as many images of third-world distress as we can bear. Our assumption is that we know the case for deprivation: unshackle the market and the globalise capitalist wealth-producing machine will do the rest.

No it won't. The 1997 Human Development report published this week by Oxford University Press for the United Nations, demolishes the idea that the bounty created by a genius of market economics will trickle down. You have to spend taxpayers' money to be the worst-

off, or they will be dead before they are rescued.

Not everyone accepts this. It is contrary to the spirit of the 1987 Economic Freedom of the World report. Right-thinking and therefore expressive of familiar sentiments, it was published last month by the Fraser Institute, Vancouver, in association with 46 other pro-market think-tanks dotted round the planet.

This clutch of capitalist theologians, which includes London's Institute of Economic Affairs, has invented an index of economic freedom. Its 17 components include growth and inflation rates, government spending, top marginal tax rates, restraints on trade, and so on. These are expressed in hard numbers and therefore "objective". Hong Kong tops a list of 115 countries thus appraised. The US comes 4th,

Britain 7th and France 38th. You can guess what follows. A few clicks on the mouse-button tell you that between 1985 and 1996 the economies near the top of the economic freedom index grew fastest, while those at the bottom - the "least free" fifth - got poorer. That unhappy quintile includes Russia, Ukraine, and the well-known African disaster areas. The lesson is obvious. Impedes the market and you pay, perhaps with your life. The unobstructed capitalist road is the highway to paradise.

Wrong again. The UN's Human Development index is closer to the truth. It does not measure progress by the rules of conventional economics alone. To be sure, it factors in real gross domestic product per head, as do the freedom-theorists. But GDP is only one of three ingredients. The other two are life expectancy and educational attainment. The resulting list puts countries in a different order from the free marketeers' league table.

On the latter, remember, Hong Kong comes first. On the development index it falls to 22nd. France, which believes in government expenditure, moves up from 36th on the economic freedom ladder to second place on human development. The United Kingdom falls from 7th to 15th. It's not just the wealth you generate. It's how you spend it.

The Human Development report introduces another index this year - for "human poverty". It counts the people who are expected to die before turning 40, the number of illiterates, those without health services and clean water, and underweight

toddlers. Once again you get changes in the rank order, particularly among developing countries.

Cuba, China, Kenya and Peru have all done relatively well at alleviating human poverty. Egypt, Guatemala and Pakistan score less on poverty relief than on human development. It is not only how you spend it, but who you spend it on.

The obvious message is aspirational. If the rich countries would put their hands in their pockets, poverty could be eliminated. We know this will not happen, in spite of the determination to give a lead expressed by Britain's new Labour administration. Government-to-government aid is no longer fashionable. The money does not always reach its destination, as the worst-case story, that of Zaire,

teaches us. The US poured in the dollars, and they went straight to former president Mobutu's Swiss bank accounts.

Tied assistance is better. Big donors usually demand that markets be set free. This is not quite enough to meet the needs of Human Development or the alleviation of poverty. Happily, contracts getting aid to certain actions are getting more sophisticated - although so are the means by which recipients contravene them. Anyhow, aid is but a part of what is needed.

The true value of the Human Development report lies in its implicit challenge to narrow-focused concentration on the market mechanism. Compiled by a team of economists and others directed by Richard Jolly, it has evolved within the broad discipline of economics. It would be

better still if someone could come up with an acceptable index of political freedom, to measure both economic and human development and democratic practices. That would require judgments that could not be quantified. How would you have treated 99 per cent votes in communist countries?

The outlook is not all so dolorous. Poverty is declining overall, largely thanks to the improvement in China, which has moved up the economic freedom tables and reduced destitution. Not many countries can make that boast. There are still 800m people who do not have enough to eat. We have some clever indices, but so far no great help to the misery on our TV screens. Only a change in the way we think can achieve that.

E-mail: joe.rogaly@ft.com

vegetable I had chosen nor the white fish. Neither had I had much of the sweet and sour pork or fried rice she was eating with such relish.

I asked how she felt about her new women colleagues in Parliament. "Blair's babes!" she said indignantly. "They all look identical."

But will all these babes make any difference? She groaned. "Women are among the more heated, heckling elements of Parliament - I say it as one who heckles herself. The idea we are going to be civilised is a joke. I think women are quite spiteful. When I was going through all this drama it was the women who made all the personal remarks."

We munched a bit, and I returned the conversation to Howard. Has she had any contact with him since?

"It's highly amusing," she said. "There are several times I have sat behind him in the House cheering him on. His style is to turn and look at the person who is talking. But yesterday he sat staring into the middle distance when I was speaking."

I said that was hardly surprising. She snorted.

"I can sit right behind him and cheer him, and if he had a lot of grace, he would do the same. He knows there is nothing personal about what I did." It was my turn to snort. *Nothing personal* about ruining someone's chances of becoming leader of the party?

The menu was brought and for once we were in agreement. We had had enough.

Suddenly she changed her tune, and started advising me to eat less. "I warn you - be very careful. I was 6 stone 12 until I was 33."

This was hard to believe. What had happened? She shrugged. Perhaps she had not given the matter much thought.

"Poor old Michael," she suddenly said. "I don't want him to be leader, but I don't want him to be personally unhappy. He's bound to be disappointed, but that's life."

I said Howard would certainly be unhappy, and wondered whether he had the inner reserves to protect him.

"I've not got the slightest idea about his inner reserves," she snapped, any sympathy gone. "I don't want to think about them. The mind boggies!" She shuddered, and then laughed.

In the taxi on the way back to the Commons she admitted to being nervous about that afternoon's vote. Maybe Howard would not do so badly at the first round after all.

"If he looks like being a serious candidate, I might have another crack."

So Ann Widdecombe still has more up her sleeve to damage Michael Howard. But now she will not need it.

And she, in her strange way, being a scrupulously fair person, I doubt if we will ever know what it was.

Lunch with the FT A scrupulous spinster with reasons to be cheerful

Ann Widdecombe finds much to be thankful for - including her old boss's poor showing in the Tory leadership race. Lucy Kellaway takes notes

Half way through, Ann Widdecombe joked sternly to me over the top of her hammon glasses and started to cold. We were eating her favorite dish, crispy aromatic duck, in her favorite Chinese restaurant, Kims, near Victoria station in London. I had just refused a fifth pancake.

"You have to be very grateful, when you consider the numbers of starvin'. We should make the mit of this."

I had last heard this argument at primary school and even then thought it daft.

But Widdecombe, former prisons minister, is known for saying old-fashioned, dodgy things. About abortion, working mothers, says, immigrants, divorce. Recently she has become even more famous for saying something thoroughly sensible: she told the House of Commons that Michael Howard, her old boss the Home Office, was a he who had not only misled parliament but was a packer who was always on the lookout for scapegoats.

Last Tuesday, on the day of our lunch, Miss Widdecombe was doubly cheerful. First, because she had ordered a big glass of wine and was looking forward to a good meal, and second, because Howard's chances of becoming leader of the Conservative party had faded still further. Out of her handbag she fished a piece of paper which showed that in a poll of more than 700 constituency chairmen, Tory peers and MEPs, only 20 supported Howard.

"Terrific results!" said she. "This is really good stuff." There was nothing indicative in her tone. It was as if she were commentating on some sport she was passionate about.

With the same early enthusiasm, she turned to the menu. "I always have the crispy aromatic duck. That usually does as a starter. I shall have prawn

let in sweet and sour sauce. Do you like that?"

She looked at me quizzically. I looked back at her - a woman who, according to the press, has a monstrous bosom, scary dyed hair, a deplorable wardrobe, a regrettable lack of make-up and a waddling gait. Yet the middle-aged woman opposite me was not unpleasant to her own way.

I asked how she felt about the press coverage, which presented her as a bonkers virgin who takes her instructions from God.

"The personal stuff was a distortion," she said mildly. "I never said God had told me to do this. I was asked if I had prayed about this, and I said I had. I was also asked: did I believe sex before marriage was wrong, and I said yes I did. So they added that to the fact that I wasn't married and there was a whole article on virginity. But I had never mentioned the word." This raised a question, but I did not ask it.

But what about all the horrid stuff about her appearance? "I'm very used to it all. You grow used by degrees. Everyone is furious on my behalf, but I am quite relaxed about it."

"Look," she suddenly said.

"Aren't we supposed to be discussing food and why I love it?"

So we do this for a while and she tells me that she loves everything except snails and frogs. She loves Chinese food because you can have lots of different things together, and because it reminds her of her childhood in Singapore. She can cook, too. "I make endless sauces. I just chuck things in the pan."

It was at this point that I refused another pancake and she reminded me of the starving millions.

"I am grateful about so many things," she said. "The fact that I had a happy childhood. The fact that I've never been seriously ill. The fact that I'm mentally healthy." I said that most of us do not see things so logically. If we are miserable, we

are miserable. She looked at me uncomprehendingly.

"I feel that so much has gone right. I'm not ecstatic right now. I'm not longer a minister. But I've been a minister. How many people did not even get into parliament, let alone become minister?"

Is there anything, then, that upsets her? There was a long pause. "Very, very rarely. Injustice."

Any petty things? "People interrupting when I'm trying to explain something. Oh look! I've left a bit." She picked a long stringy bit of

duck off the bone and ate it.

From here the conversation deteriorated. We started to talk about abortion and how mothers should not work, and how anyone who gets divorced is a worse person because of it. On each subject there was a predict-

able non-meeting of minds.

"Look," she said. "We are going to spoil our lunch if we talk about this."

So with mutual relief we concentrated on the main course. We were meant to be sharing, but I noticed she

had not touched the green

beans.

From here the conversation deteriorated. We started to talk about abortion and how mothers should not work, and how anyone who gets divorced is a worse person because of it. On each subject there was a predict-

able non-meeting of minds.

"Look," she said. "We are going to spoil our lunch if we talk about this."

So with mutual relief we concentrated on the main course. We were meant to be sharing, but I noticed she

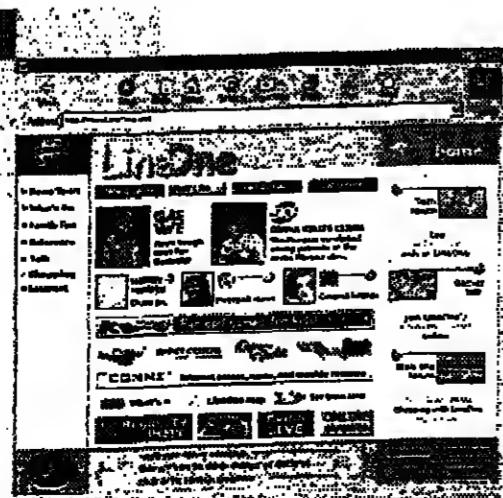
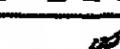
had not touched the green



www.LineOne.net

Call for your free software pack now.

0800 111 210



More news, more facts, more fun.

LineOne, the new UK Internet service from BT and News International, is designed just for you, but has something for everyone.

Exclusive UK content, including news and sport from Sky and the UK's top newspapers, local 'What's On' listings, forums, computer games and reference information.

Fast and easy Internet access with BT's award-winning Internet network. Plus LineOne's unique Intelligent Agent, AJ, will show you around.

Unlimited access to LineOne and the Internet, for just £14.95 per month, including 5 e-mail addresses for you and your family. So you don't have to pay by the hour.

Now you can try LineOne for free.

- One month's free membership.
- 10 hours' free access to LineOne and the Internet.

PERSPECTIVES

Mzi Khumalo's 12 years in prison with Nelson Mandela were an unconventional education for a man who now chairs JCI, one of the world's leading mining houses.

Khumalo's appointment marks a break with South Africa's white-led past. But he is also part of a long tradition. The Johannesburg Consolidated Investment Company, from which JCI is descended, has a history of unconventional leaders.

Its founder, Barney Barnato, who died in mysterious circumstances 100 years ago today, was a music hall clown, juggler and fairground boxer from the East End of London.

He arrived in South Africa in 1874 with £30 and 40 boxes of malodorous cigars. Two decades later, he was one of the richest men in the world. As well as starting JCI, he joined with Cecil John Rhodes to form De Beers, then, as now, the world's most powerful diamond combine.

By the mid-1890s, Barnato was the toast of the City of London. His numerous flotations were heavily oversubscribed. "Buy me Barnies", investors would tell their brokers.

There were critics who whispered that the Barnato empire was built on fraud. But he had friends, too, among them the Financial Times. To the FT, Barnato's bona fides were "beyond question". He was "a man of keen perception, with a remarkably ready grasp of facts and figures". Crowds cheered him in the streets of London.

Two years later he was dead. On June 14 1897, he drowned near Madeira off the north-west coast of Africa, while making one of his regular trips back to England. The Southampton coroner concluded he had jumped from a passenger ship while temporarily insane. To this day, there are those who believe he was murdered.

When British publishing magnate Robert Maxwell drowned in the same stretch of the Atlantic, some found the similarities eerie. But while Barnato was no saint, he was no Maxwell either. Some of the criticism of his business methods was well-founded but his companies had solid foundations, as evidenced by their continued prominence.

The huge number of anecdotes the two men generated reveal the difference between them. Maxwell stories were invariably about his humiliation of employees. Barnato stories were about his refusal to take his new-found social status too seriously.

He once answered a woman who asked whether he had really been a clown by walking around the Savoy Hotel on his hands. Asked what his occupation was when applying to join one of London's most exclusive clubs, he wrote "toff". Even Louis Cohen, Barnato's first partner and later his fiercest critic, found it hard to sustain his vitriol. Barnato, Cohen concedes in his scathingly entertaining memoirs, had "a grain of gold in his nature".

Barnato was born Barnett Isaacs in London's East End in 1852. His father, Isaac Isaacs, a trader in secondhand clothes, was a religious Jew but he suspected that prayer alone would not get his children through life. Twice a week, Isaac taught Barnato and his brother Harry to box.

If anyone starts any trouble, he told his boys, hit him first. Barney was short, but he was powerfully built and always had a fisted pair of fists.

Barney and Harry scraped a living selling odds and ends in Petticoat Lane and working as bouncers at their brother-in-law's pub, the King of Prussia. Barney used to entertain the regulars by reciting "To be or not to be" while standing on his hands.

The brothers turned their clowning into a music hall act. Harry, whose juggling was superior, took the first bow. A stage manager once called on Barney to acknowledge the applause by shouting "Barney too". The brothers had been looking for a more exotic stage name. "Barney" became Barnato.

Tired of struggling to make a living in London, the brothers decided to try their luck in South Africa. Diamonds had been discovered in Kimberley in the Northern Cape.

In Kimberley, Barney briefly worked with Louis Cohen, an earlier arrival from Liverpool, as a



Barney Barnato arrived in South Africa in 1874 with £30 and 40 boxes of malodorous cigars

The Great Barnato, Henk Hoffmann/De Beers Consolidated Mines

From music hall to mining magnate

Michael Skapinker recalls Barney Barnato, JCI's unconventional founder

"*Kopje* walloper", an itinerant trader who bought diamonds from the diggers and tried to sell them. Barney and Harry soon decided, however, to begin mining themselves. This time, Barney was in charge.

They began when others had given up hope. The diggers had struck hard ground and many thought there were no further gems to be found. Barnato disagreed. He began buying claims and was soon making a fortune. Some suggested Barnato's mining operation was a front for trading in stolen gems. While Barnato was not above cutting corners, the allegations were almost certainly untrue. He was prospering because he was buying more claims than the others and digging deeper.

Barnato was one of the few in Kimberley to grasp another aspect of the diamond business. The more diamonds the diggers produced, the lower their price sank. They would do much better if they controlled the number of gems coming on to the market.

Rhodes, another young digger, reached the same conclusion. While Barnato accumulated claims on the Kimberley mine, Rhodes did the same on the nearby De Beers mine. The two went into battle and attempted to take one another over.

Rhodes, however, gained a decisive advantage: the financial backing of the Rothschilds. He offered Barnato's shareholders a



By the mid-1890s, Barnato was the toast of the City of London

mining and property interests in the area.

It took some years for his shares to win the enthusiasm of London investors but, when they did, prices soared to unsustainable levels. When mining shares eventually fell, many Barnato investors incurred heavy losses.

Some had reason to complain. Barnato absorbed the Barnato Bank, which was really a vehicle for investing in a range of Barnato companies, into JCI without consulting shareholders. But many of the losers were

victims of their own greed; Barnato had warned them they were bidding his shares too high.

Barnato's real crimes were those of the South African mining industry as a whole. None of the country's wealth would have been possible without the black miners who dug out the diamonds and gold. To most whites these labourers were barely human.

Why Barnato's mental health began to deteriorate in 1896 is a

mystery. Reports of erratic behaviour and heavy drinking became more frequent. He began to develop irrational fears of slipping back into poverty.

His family were so concerned that, on Barnato's last trip back to England, they never left his cabin door unguarded. His health improved during the voyage, allowing him to walk on deck with Solly Joel, his nephew, who had joined the business. Without warning, Joel said, Barnato jumped overboard. A rescue was attempted, but it was too late.

What would Barnato have made of a black chairman of JCI? He would almost certainly have approved. He was the ultimate political pragmatist. The world had changed; he would have changed with it.

Mr Khumalo has been in London recently attempting to negotiate a merger between JCI and Lonrho. Tiny Rowland, Lonrho's founder, has expressed his strong opposition. Even Barnato might have advised Khumalo to be cautious. Rowland is not the sort of man you hit first.

Dangerous liaisons born in Rio

How green is Swiss billionaire Stephan Schmidheiny, asks Leyla Boulton

I was worried about looking crumpled. Stephan Schmidheiny sounded like the stuff of a Swiss corporate fairytale. He is the "green" billionaire – a big bank account and an active conscience. As I took a suburban Zurich train towards the high moral ground, I imagined a meticulous man who would take against beige, particularly crumpled beige.

Ranked the world's 37th richest man by Fortune magazine, Schmidheiny had his first serious communion with nature aged 22 when he pulled out of a business inherited from his father. The move was prompted by the fact that the business made cement reinforced with asbestos, a carcinogen whose danger to health was only just becoming apparent.

His elder brother Thomas, meanwhile, grew his non-asbestos half of the inheritance into the world's biggest supplier of building materials. While Thomas's entry in Who's Who lists one of his hobbies as shooting, his younger brother's suitably ascetic entry mentions no pastimes. But it could have read "sustainable development".

After sweeping into a conference room in his minimalist steel and concrete headquarters, Schmidheiny accepts my compliments about the idyllic view of Lake Zurich with a regally modest "we feel very lucky".

I was on a fence-mending mission. Schmidheiny had been a reluctant subject ever since it had been reported that a Chilean iron-pellet plant which he owned was polluting local olive groves.

Published just after he emerged as the chief advocate of environmentally conscious business at the Rio "Earth Summit" in 1992, the disclosure illustrated the dangers facing any business seeking to wear the environment on its sleeve.

It was also news to Schmidheiny, who says somewhat ruefully "I should have known about it". He then goes on to maintain that the dust produced by the plant helped the olive groves on to a record harvest in later years.

Now that he had decided to give the media another chance before the fifth anniversary of the Rio summit this month, I was keen to test how much of that greenery was genuine.

Despite the hushed corporate setting and a personal elegance complete with greased back hair and trendy spectacles which make him look younger than his 49 years – his conversation had more in common with Greenpeace than the gnomes of Zurich or other nephews, dead.

Diana Barnato Walker, Barney's granddaughter, has accused Solly Joel of murdering Barnato. But few who knew of Barney's fighting prowess would have attempted to throw him off a ship. If Solly wanted to kill his uncle, he would surely have found a less risky way of doing it.

The FT mourned effusively.

"Mr Barnato's career has been dramatic in an exceptional degree, and for many a year the talk will be of the meteor that has shot across the path of the City and vanished."

What would Barnato have made of a black chairman of JCI? He would almost certainly have approved. He was the ultimate political pragmatist. The world had changed; he would have changed with it.

This is how he came up with eco-efficiency as a catchphrase for why business can make money by using fewer natural resources and anticipating environmental trends.

"Technology will have to do most of the job of sustainable development because it is not only ridiculous but cruel to say that man you hit first.

the world should head for zero growth and deprive all these people of the chance of a better life," he says.

But four years after he disposed of his stake in the pellet plant, Schmidheiny could still be accused of sitting on the fence which separates green theory from practice. For instance on whether ASEA Brown Boveri, the engineering company whose board he has quit, should be ignoring environmentalists' calls to pull out Malaysia's controversial Bakun dam project.

"This is classic conflict of interest," he says.

Such conflicts face not just ASEA, but other multinationals gathered in the World Business Council for Sustainable Development, a body initiated by Schmidheiny in 1992. "We have to be careful; it is not seen as the World Business Council for Green Hypocrisy," says an aide.

But Schmidheiny argues that it is better for companies inside the *ft* than out. "Maybe we can generate some peer pressure for change."

His willingness to get his hands dirty anticipated today's growing realisation that business is more able than

"We need to open up people's minds to start doing what we all need to do"

government to deliver environmental change. Even Thilo Bode/Greenpeace's reformist environmental executive director, he concedes that his organisation had been wrong to attack Schmidheiny.

Tessa Tenant, head of ethical investment at the National Provident Institution in London, says she wishes "more businesses had the guts" to do what Schmidheiny has tried to do.

Schmidheiny bristles at the suggestion that for all his good deeds, he is just another billionaire cashing in on some global issue la George Soros is on the danger of democracy. He says he is able to multiply his initial inheritance five-fold mainly by reading the "writing on the wall" of the early stages of an environmental threat.

Baving exposed of all

controlling stakes in companies he invested in, he now relishes the freedom to do what he "enjoys most" – travelling the globe to promote sustainable development. This involves "dealing with the most interesting people you could deal with on each . . . the people who think about the future".

Just how much change has there been in the world first pledged to embrace sustainable development five years ago?

Schmidheiny says "a lot more can be done" for more businesses to view the environment as an innovation challenge rather than a compliance cost". Although multinationals have made progress on this front, he says "the real problem" lies in big, fast-growing nations such as China and India, which have neither "the political will nor the technology to do much" about the environment.

This leaves the world with a choice. "Human civilisation will change come . . . either through suffering and devastation, or, hopefully, we will be at least some change through leadership," he declares. "If I can contribute one iota to that change which occurs through leadership, will look back on my life with satisfaction."

that I thought illogical and she thought sufficiently sensible. There was instead, a fine and steady mist of incomprehension.

For many French, the insistence on strict fiscal criteria of the expense of social programmes is an attack on French political culture. There is a disparaging term for the exclusion of state paternalism – *ultra-liberalisme* – seen as a pernicious vice originating in England. Tony Blair, as much as that Thatcherite Tory, an ultra-liberal.

So we return in some ways, despite our regard for the future, to old stereotypes and old enemies. After 20 years my wife and I still founder on Anglo-Gallic misapprehensions. But if dirty words like *ultra-liberal* get thrown around between us, in the end things always get patched up, through talk and negotiation.

We have discovered that it is only through compromise that we can have a true union.

A social union worth fighting for

Tony Blair and his socialism are dirty words with French intellectuals, says Nicholas Woodsworth

On the evening of the French legislative elections, the residents of the small apartment building where I live in Aix-en-Provence gathered together around a living-room television set. As the magnitude of the electoral upset became apparent, there was not a single Gallic shrug of indifference in the room.

Instead, there were cries of amazement, shouts of "Oui, oui", and emotional whoops that could be heard three floors down. There were ceremonial glasses of champagne all round. My neighbours, almost to the last man and woman, are enthusiastic socialists.

Usually I count myself on their side, but this time I did not whoop. Since moving to France two decades ago I have watched the French follow with some pride the progress, however shaky, of the great European

experiment of union. Now, at a delicate moment, they seem to have dropped a spanner in the works.

What I wondered, did my progressive French neighbours think of the confusion that had created? I decided to tackle my friends as they were hanging out laundry, digging the garden, or enjoying the Provençal sunshine from their balconies.

My neighbours are not necessarily average Frenchmen. Teachers and administrators for the most part, they count themselves among that peculiarly French class to which no Briton would comfortably own – "les intellectuels".

More specifically, of course,

they are *intellectuels de gauche*, of the left. Children of the French social upheavals of the late 1960s, they are the active party supporters and left-wing unionists of today.

Ready to march arm-in-arm with the most militant protesters, they are even happier to sit, and ponder, and talk at length. Who better, I thought, to voice the deeper French sentiments on Europe?

What France wants for Europe, said my upstairs neighbour Jean-Paul Mercier, is what the French want for themselves. It is, he says, a "social" Europe, a Europe in which government is in the service of society, not of money. It is a formula, he admits, as

much emotional as ideological.

For much of his career Mercier has taught *instruction critique*, the course that inculcates all French schoolchildren in the values of the republic. If most French are loathe to pursue the non-interventionist policies supported elsewhere in Europe, he told me, it has much to do with the preponderant role played by the state in French life.

Yet if the French cannot live without the state, most citizens complain of a large and growing gap between rulers and ruled. Here, too, says Françoise Dicampion, is a reason why social reform must be a principal goal for Europe from the beginning. Dicampion is active in the social

work associations of Aix-en-Provence. A town of fountains and plane trees and music festivals, it is not a place one associates with increasingly common French suburban tensions and violence.

But even here the cost of unemployment, social instability and disaffection is evident. Her own association, Les Jardins d'Amélie, offers long-term social outcasts the chance to relearn through organic market gardening, organisational abilities they have all but lost. Dozens of other associations in Aix, largely privately funded, offer soup kitchens, medical attention, educational support, and aid to the jobless, to immigrants, and to others who have fallen through

the social net. Increasingly, these are young people.

But governments, too, she insists, must provide jobs. Failure to do so, she says, can only have drastic consequences: even in well-to-do, bourgeois Aix, there are *quartiers chauds* – "hot areas" – where tensions can bring social upheaval overnight.

In the end, though, one of the greatest barriers to France sorting out its differences with its European neighbours may be cultural perception. This, I learned from a third, even closer French socialist neighbour, Jany Luc. A teacher, she is also my wife.

There was no deluge as we went back and forth over the various French election promises

of the day. "J'adore les

BOOKS

The riot of colour and machismo that is the trading floor at the London International Financial Futures and Options Exchange exerts a certain kind of fascination on those who normally show no interest in the world of finance.

Liffe represents capitalism in the raw. The system of open outcry (the polite name for shouting) means that each trader relies on his wits. Many of the participants are dealing on their account and a wrong decision can wipe them out in an afternoon.

However, those who get their thrills from the sight of billions changing hands in an instant will find little to excite them in their

corporate history. The institutional history of Liffe is one of steady success; there has been the odd setback but not much in the way of drama.

The Bank of England might have blocked the market's foundation, but instead it was helpful. The Stock Exchange could have obstructed the new market, or indeed attempted to dominate it, but in its lethargic way, it failed to take either option.

The giant Chicago markets

might have crushed the London upstart; the continental European exchanges, such as MATIF and DTB, could have replaced it. Instead, the various futures markets uneasily co-exist.

All this is efficiently and no doubt accurately chronicled by David Kynaston, a specialist corporate historian.

But the book never recovers from the early details of planning committees and contract design, which, one suspects, would send

Liffe: A MARKET AND ITS MAKERS
by David Kynaston
Granta £25, 340 pages

the average trader to sleep. At times, the book reads embarrassingly like a parish magazine with pats on the back for all the supporting staff. One longs to read that X, far from being a well-rounded and efficient individual, was an incompetent creation despised by his colleagues.

Indeed, from the point of view of readers (rather than the market itself), it would have been far better if Nick Leeson had brought down Barings by trading on Liffe, rather than in Singapore.

The failure of the Ecu bond future or the problems in designing a eurobond contract do not offer much in the way of juicy scandal; one fears the author will

have little luck with the film rights.

One can hardly blame the market for indulging in a spot of self-congratulation, however. Back when it was founded in 1982 there were plenty of people who doubted whether it would succeed; and over the years, Liffe has had gradually to educate corporate treasurers and pension funds about its use as a vehicle for hedging, rather than just speculation.

Opinion has gradually come to accept (despite the 1987 crash and the Leeson affair) that speculators are needed to create liquidity and that derivatives trading, by making market mechanisms more efficient, can reduce rather than increase volatility in securities prices.

There is no reason for Liffe to rest on its laurels, however. A good deal of its volume comes from contracts, such as the German government bond, which might eventually drift back to their home markets. And, while open outcry has so far survived the challenge of electronic trading, the colourful jackets may yet, like Gary Kasparov, meet their mechanical masters.

Toffs at the top

Michael Thompson-Noel joins the social whirl of the rich and privileged British

Most of the people who belong to England's upper classes are so amusingly demented most of the time that it is easy to enjoy their company, most of the time. But what are they for?

As Charles Jennings observes at the start of this sparkling account of a year among the toffs, most countries with a lot of social history have a tidy nexus of power, class and money. In other places, the rich usually establish a social élite of some sort. Yet only in Britain, he reckons, is the relationship between class, wealth and social background "so institutionalised, so ossified, so unfair".

Put it this way, he says: if you were designing a society for the 21st century, would you, being rational, ensure that such a society maintained all the formal and informal mechanisms for succouring a tiny élite that England maintains? Would you design into your scheme the House of Lords? Or a handful of incredibly exclusive private schools to help perpetuate the toffs' superiority? Or a monarch who lived in "conditions of unparalleled luxury in return for a deeply ambiguous and ill-defined job..."

Finally, asks Jennings, would anyone sane then make sure that this élite set the tone for the rest of society in such a way that the rest of us were permanently affected by the élite's goings-on, without ever being able to do anything about the élite? "What's more, would you then institutionalise wealth and wealth-creation among these uppermost people?"

Given that there are around 750 hereditary peers in the House of Lords, the overall national distribution of hereditary titles, says Jennings, must work out at about one per 80,000 head of population. But among the top 500 richest people in Britain (according to The Sunday Times) it's in the region of one in 10. "Clearly, some set of rules or values is

in place which allows the very grand, by and large, to carry on being the very rich. How ideal is this state of affairs?"

Good questions. But Jennings is such a spry reporter, such an effervescent writer, that *People Like Us* does not, at any stage, become a sociological yawn. He himself, he tells us, is a product of the suburban middle classes, with a gilding of reach-me-down affectations but almost no contact, prior to researching this book, with posh people.

Which is why the tone of *People Like Us* veers entertainingly between shock at the toffs' stunning vacuous-

ONE OF US: A SEASON AMONG THE UPPER CLASSES
by Charles Jennings
Little, Brown £16.99, 188 pages

ness and growing enjoyment of their company. Most of his junketings among the upper classes occurred at events related to the English social season, among them: horse racing at Ascot, rowing at Henley, Queen Charlotte's Ball, polo at Cowdray Park, Cowes yachting week, horse trials, charity gift fairs, Scottish dancing lessons, killing things...

His visits to Royal Ascot and Queen Charlotte's Ball are peaks among the highlights of this racy, yet insightful and intelligent book. At Royal Ascot he hung around the parade ring, where he scribbled down this conversation between two middle-aged patricians in black top hats: "Hello!" "Hello!" "Hello!"

"How are you?" "Terribly well! Super to see you!"

"Where's your lady wife?" "Arabella!" "Arabella."

"She's over there..." "Oh, right, she's over there..."

"Yes, she's over there, right now. I'm going over there in a minute..."

"So how are you?" "Terribly well! How's things?" "Good, super!" "Well, we'll see you again, I expect, ha ha!"

"Yes!" "Goodbye!" "Goodbye!"

Upper-class junketings: toppers and tails at a Buckingham Palace garden party

The point of this and similar conversations seemed to be to convey nothing at all. The effect, says Jennings, is to produce an endless, verbalised, continuous present. These Ascot conversations, he says, fulfilled two essential functions: they acted as class markers, differentiating the socially smart from the merely well turned-out; and they kept things clicking along pleasantly.

What is important, says Jennings, is for the toffs to demonstrate confidently that what they are saying is worth saying, no matter how ludicrous it may in fact sound; and (this is crucial) to convey a general sense of being up, of being a good

sort and not picking at things in a nasty plumply sort of way, or blurting out impudent questions about other people's marriages, herpes, alcoholism."

His visit to Queen Charlotte's Ball at London's Grosvenor House hotel is even more hilarious. He is placed on a table hosted by a volup- tuous middle-aged woman called Sally, who has bee- ble blonde hair, a heavy bosom, and is crammed into a blue gown shaped like a satin ice-cream cone, from which she emerges like a piece of living confectionery. Sally has written an erotic novel, 45 chapters long. She tells Jennings about her "boys", young men she falls

in love with, though whether that means she has sex with them is not something Jennings is able to determine.

As his season among the toffs progresses, Jennings warms to them no end. He almost wants to become one.

He starts to appreciate that smart people have a use after all. "And what might that be? Well, they're there to be both detestable and wretchedly appealing: objects of horrified fascination."

They invite our disapproval for almost everything they do, Jennings concludes, and thus answer an inextricable need among the rest of us to have someone to envy, blame and loathe. "We're still living under an *ancien régime*. The thing is, we love these people."

On his very last page, however, Jennings faces facts: writing a book about toffs is not the same as being one. So he puts away his dinner jacket and bins his copy of *Harper's & Queen Book of the Season*. The next day he returns to his local suburban supermarket, the temple of his bourgeois consumerist values.

For a long while, he deliberates which brand of kitchen cloths to buy. "I had to remind myself that I was middle class and that being middle class was the only serious way to be. And then I bought some muesli, just for good measure."

much intuition in these passages as there is logic.

There was a very practical note to the foreword to this book which was written by Geoffrey Crowther, the editor of *The Economist*, who may well have written the review of the French edition. "One can think of many members of the government to whom

reading this book will do a power of good, but it would be no less admirable on an opposition list. If the spirit which informs *Problems of Socialist England* were to

become general, the problems would indeed remain, but the prospects for their solution would be notably improved."

There was nothing autumnal about that comment. Nor had there been in the title of the Labour Party manifesto at the general election of 1945, "Let Us Face the Future".

That future, still in the making in 1945, is part of our past. Now our reading, not our rereading, is about the millennium. Meanwhile, we need an English de Jounvel to combine insight and

analysis to write about the summer election of 1997 in France.

Rereading/Asa Briggs Back to the future?



claimed it as "a blend of first-rate journalism and serious social, economic and political analysis". It was "an example of that effortless facility which is the hallmark of French civilisation".

De Jounvel is now perhaps best known as a futurist. Yet as early as 1928 he had published his *l'économie critique*, which put him in a good position to ask searching topical questions in the Old Labour Britain which he visited in 1945.

This was a time, too, when he was writing a book on power, "its nature and its history". The Labour government and party were still flushed with victory after rather more than a year of power, while the Conservative opposition was still stunned by its fall. The French edition was in proof when the crisis of August 1947 broke. "England was hit hard," De Jounvel devotes five of his 29 concise

chapters to explaining why it broke, posing the question of "full employment or rational employment". He ends the English edition with an epilogue written not in London but in Manchester in the autumn of 1946.

There is more of a touch of autumn throughout the book than there is of spring. After the crisis, hymns to austerity had taken the place of blithe marching songs. De Jounvel's reactions to austerity were very French. "What is the feature of the socialist regime in England which at once strikes the foreigner?"

The persistence of rationing and price control in the sphere of food. The rationing measures, observed as they have been with an admirable discipline, secure to every Englishman a supply of food which is equal in amount, extraordinarily cheap and deplorably inadequate."

De Jounvel devotes

point. Keynes has had a chapter to himself. So also has Beveridge, who passed by a table in the Reform Club, "where so many of England's most interesting minds congregate", when he was dining with Hayek. "Don't be surprised by him," Beveridge whispered "playfully" in de Jounvel's ear. "Hayek has a

continental mind; he is much too logical for us."

Beveridge was almost granted for granted, but he would not have objected to his use of the noun "Beveridge".

G.D.H. Cole, who knew de Jounvel well, never took anything for granted. And it was in talking to Cole in Oxford that de Jounvel became most aware, in 1946, of what he calls "a certain malaise... showing itself among the finer spirits - those very spirits that did most to keep the fires of socialism alight" before 1945.

Curiously the most

illuminating and memorable passages in de Jounvel's book concern neither economics nor politics but psychology, individual and social. They pivot on the relationships between ideas and experiences, the community and the state, technology and democracy, the "sacrifice of the present to the future". There is as

A passage through India

Uttara Choudhury on exciting new writing with which to celebrate the country's golden jubilee

As India prepares to celebrate its golden jubilee, publishers are declaring open season on the country.

Cyrus is a Parsee boy growing up in Bombay.

Against a backdrop of outings to Hindi film shows, and countless visits to his neighbours - a mysterious Miss Havisham-like Maharanee, the Ericcians from Sweden and the Krishnans from Kerala - *Beach Boy* evokes the life of the élite.

The sights and smells (and especially cooking smells) add flavour to a novel that resembles the secret diary of a foodie.

Written with artful simplicity, *Beach Boy* has secured for its author the Betty Trask Award for fiction. Despite much being made of this universal rites-of-passage story, however, it is thin on plot and does not yield anything memorable.

Gita Mehta's contribution

THE GOD OF SMALL THINGS
by Arundhati Roy
Flamingo £15.99, 340 pages

BEACH BOY
by Ardashir Vakil
Hamish Hamilton £14.99, 311 pages

SNAKES AND LADDERS
by Gita Mehta
Secker & Warburg £14.99, 223 pages

to the jubilee festivities is a collection of essays meant to defuse the sense of confusion that greets many people when they think of India.

Snakes and Ladders includes everything from personal reminiscences to commentaries on Indian politics and economics. Several of these previously published essays are witty and acute, but they fail to rise into a book.

It is a disappointment from a writer who gave us the successful *Karma Cola*, a series of hilarious portraits of westerners stumbling over their backpacks in search of mystic India.

However, the Mehta brand of waspish satire is visible in portraits of India's first prime minister Nehru and his daughter Indira Gandhi.

Mehta takes obvious delight in describing Nehru's visit to the hill tracts of north east India in 1957.

"The airplane landed, a great white bird with the symbol of the Indian nation. Would the child-like tribals be frightened by this miracle of aerodynamics descending with its cargo of divinity? No, they were standing steady under quivering head-dresses..."

"Finally the great man himself appeared - to be received by a reverence so profound that even the accompanying journalists were silenced."

"...As soon as Nehru was on terra firma, the tribals turned with regal precision and lifted their colourful sarongs. The prime minister of India found himself taking the salute of hundreds of naked behinds."

FT BOOKSHOP

To order any book reviewed on these pages from anywhere in the world please call +44 181 324 5511 or fax your credit card details to: +44 181 324 5678
Cheques (UK and Eurocheques only please) can be sent to: FT Bookshop, BVC, 250 Western Avenue, London W3 6XZ
E-mail: bid@mail.bogo.co.uk
Airmail Postage Rates: Europe Rest of World
Hardback £1.50 £7.50
Paperback £1.50 £3.95

BOOKS



The Railway Station, 1862, by William Powell Frith: for the two golden decades between 1850 and 1870 Britain enjoyed a high noon of prosperity, security and global influence.

Royal Holloway and Bedford New College, Surrey/Brigden Art Library

Reflections on the spirit of an age

Insight into the Victorian mind teaches us much about our own generation, argues A.C. Grayling

Work at the coalface of history is a sweat and toil among "primary sources". For ancient times these include such things among others, as archaeological remains, inscriptions on clay tablets, and late copies of early documents. For more recent centuries the raw materials include royal charters, diaries, property deeds, letters and statistics. Either way a large part of the historian's task is interpretation, which is to say: the act of endowing these silent witnesses with a voice. Without interpretation even documents are mute; until the historian gives them one, they have no meaning.

This is why there can be dispute among historians. History is not a list of facts; it is a story that we draw from them. And many different stories, all equally good, can be drawn from the same facts. Hence disagreement.

For this reason historians are not always at the coalface. An important part of their work involves standing back from primary sources and reflecting on the larger picture they suggest. This is a task of discerning patterns and rhythms, of separating the causes of later developments from the snowstorm of merely adventitious happenings. This kind of historical work requires fine judgment. And it is not only a question of which story best interprets the data, but of what the story itself means. We wish to understand the spirit of an age, to see into its heart and mind, to acquire a feel for how those who lived in it responded to their world and coped with its dilemmas.

David Newsome's account of the Victorian age provides exactly such understanding. He is thoroughly at home in this period, and intimate with its inner mind. The years between Victoria's accession and death saw tremendous changes in Britain and the world, to such an extent indeed that to write their history is to write many histories, among which the most important are not those of governments and wars, but of the growth and struggle of ideas – ideas in science, in religion, in

THE VICTORIAN WORLD
PICTURE
by David Newsome
John Murray £25, 310 pages

philosophy, history and the arts. These are the histories Newsome presents in an absorbing, elegant, beautifully managed narrative that is hard to put down.

The book proceeds by themes. Newsome first outlines the rapid changes caused by industrialisation and the railways, attended by an exploding urban population which, several times during the century, threatened revolution of

the kind that toppled crowned heads elsewhere in Europe. For the two golden decades between 1850 and 1870 Britain enjoyed a high noon of prosperity and security, in which it found itself the leaders of the world. But the years before and afterwards saw many kinds of strain, and there was never a single decade in the century when Britain was free from the threat of social disorder.

Gazing abroad, the Victorians could exult in their grand Empire, to which, they believed, they were exporting civilisation and Christianity, and from which, they knew, they were importing wealth. But there were nasty shocks in the Crimean and Boer wars and the Indian Mutiny, and nasty portents in the growing industrial strength of competitor nations. But some of the most anguished struggles were at home, over the meaning of Darwin's ideas and perceived threats to religious certainties.

Newsome describes the tension that arose between Victorian ideas of progress and the nostalgia for a slower, safer, nobler past – in the hands of some, such as the pre-Raphaelites, a romanticised past – prompted by the dizzying nature of the century's changes. The tension is the subject of debate among Victorian thinkers about the nature of history itself, and one of Newsome's most fascinating chapters recounts it.

There can be an understanding of the Victorian age without an account of the great movements in religions thought that wracked it. The "convert Cardinals" (the subject of another of Newsome's books) co-exist with missions to the pagan East End of London, and the most distinctive moral tone of the time seems, in retrospect, to come from the evangelicals. These movements reverberated beyond matters of faith; they influenced art and architecture, most notably in the Gothic revival. And they have their ugly side, as in the debates about hell and divine punishment. Through-out the debates, and conversations, and missions to the East End, the doubts insinuated by Darwinism, and by the new biblical scholarship that questioned the historicity of the gospels, crept like a poison.

An understanding of the Victorian experience is valuable. Newsome says, because "in many ways the Victorians were wiser than their posterity, and secondly, their priorities make those of today look shallow and shortsighted." This is an interesting and disputable claim. But there is no question that insight into the Victorian mind teaches us much about our own way hither, learning from the past is not the same as living in the past, as Newsome quotes Julius Hare remarking.

Newsome handsomely helps us do the former.

A city in flux

As with Paris, Vienna, or New York, it is foreigners who are Berlin's biggest fans. Anarchic and scruffy compared with the rest of the country, Berlin – most Germans think – is a subsidised, other-worldly place, politically suspect and more used to hand-outs than hard work.

Before the wall came down, dislike for Berlin was one of the few things the citizens of the old federal republic had in common with their captive compatriots in the "German Democratic Republic".

That disdain has not changed, although plenty of other things have. Since 1989, the two halves of Berlin have been the fastest-changing parts of their respective countries.

Both have seen their subsidies cut. Both have seen the protecting/occupying power disappear, along with most of their spies and camp-followers.

Both are shunned by employers, especially foreign investors, who find West Berlin's pampered and stroppy workforce as unappealing as the rats of former communist bureaucrats who had swelled the population of the East.

Both halves of the city remain distant from each other, grumpy and culturally and socially fractured. Splendid art galleries and scintillating night clubs, and a lingering historical frisson have made

BERLIN
by Giles MacDonogh
Sinclair Stevenson £25, 320 pages

the city the most attractive in Germany for foreign visitors (and expatriates). Berliners themselves, especially the many older and poorer ones, are less impressed.

But regarding anything as permanent in Berlin is unwise. As Giles MacDonogh's book on the city shows, the city has been reinvented at least once every century and frequently more often. Foreigners – Huguenots, Jews, French and Russians – have often set the tone; some as refugees, others as occupiers.

Architectural innovations

have always been vigorous, if not always well judged. The city's food and drink have changed, too, to reach their current distinctive, if not always palatable, level (a glass of the foul-tasting Berliner Weisse beer, enlivened with the customary shot of strawberry syrup, was an indelible introduction for this reviewer).

MacDonogh, whose epicurean exploits in Germany have been well-documented in this newspaper, is on strong ground here; he also writes well about the Berliners' robust and varied sexual appetites in previous decades and centuries.

Any attempt to judge Berlin by its current, still rather shell-shocked, state would be a mistake and one which this book avoids (it scarcely touches on the events of the past 10 years).

But readers may be nudged towards their own, optimistic answers to the big, fascinating question: how the city will change when the federal government moves here from Bonn in 1999.

As well as greater prosperity and self-respect, a great hope is that the current raffish and somewhat superficial internationalism will gain depth and class: a stronger middle-class, better schools and universities, more ambitious restaurants, and less repellent local politicians would all help dispel the provincial shadows cast over Berlin by the past decades and maybe raise its standing in "Germans", as well as "foreigners", eyes.

Edward Lucas

Fiction/Brian Martin

Traitors and martyrs

The *Untouchable* and *The House of Sleep* are in the first class of contemporary British fiction. Banville's novel is inspired, intelligent, literary. Coe's reaches a summit of pertinent social satire and is simultaneously seriously funny, and finally serious, book.

The Untouchable is an equivalent of Shakespeare's treatment of Henry V: the protagonist is instantly recognisable but at some distance from the real historical character. In Banville's case this is Anthony Blunt. Victor Maskell is the image of Blunt: "I looked like one of those preserved bodies they dug up from Scandinavian bogs, all jaw and sunken throats and hooded eyes."

Maskell's introspective testament of his treachery presents what might have passed through Blunt's mind and possesses his total lack of remorse. Blunt's support cast is included: Burgess and MacLean enter as Boy Banister and the "Dour Scot" McLeish. There are parts too for Victor Rothschild and Blunt's deceptively domestic MI5 interrogator, Arthur Martin.

Literary traces of diverse writers, such as Greene and Larkin, appear. Always good at the thumb-nail sketch, Banville describes T.S. Eliot, his "camel-gaze and timbreless voice, the marks of a lifelong, obsessive dissembler".

The Untouchable is compelling. The narrative of Burgess and MacLean's detection is particularly so in its pathos, humour, excitement.

The reflective Maskell is left

walking for death, realising

the truth of his Harley

Street consultant's remark

"I should have thought you

had died already in a way."

Maskell reckons "public

humiliation on the scale

that I have experienced

it is indeed a version of death."

Jonathan Coe's successor

to the cult novel *What a*

Care Up! is superbly entar-

ting and it too has its

numerous literary allusions:

Pinter's plays "appeal to the

misogyny deep within the

male psyche." The house of

sleep is Ashdown, a huge

"a cruel and faithless mistress" who is both "traitor, and a double agent". Sarah tries to understand her Sarah by attempting to read an earlier, obscure book of the same title by Frank King: she sits "looking warily at the copy of *The House of Sleep* which lay on her kitchen table like an unexploded bomb." Coe's *House* explodes in the reader's consciousness with irresistible force.

"Thank heavens for the charity of dreams" utters the narrator of Jim Crace's *Quarantine*. At least the abused, long-suffering wife of a dying caravan merchant in the Judean desert almost 2000 years ago gains some respite from the harsh reality of life that way. Then along comes a straggling line of five people, three men, a woman and an indeterminate fifth. "A slow, painstaking figure, made thin and watery by the rising, muggy heat."

It proves to be Jesus, the Galilean, come for his fast of 40 days and temptation in the wilderness. Unwittingly and ironically, he cures the merchant and consequently there is no relief for the wife: "unwidowed, unfeared".

Quarantine, a hermit's novel, is a modern parable, set in a burned, barren biblical landscape and told in a subliminal, sparse, arid, ascetic Middle-Eastern style, well worth reading especially by sceptics and mystics.

Whereas *Great Apes* is, without apology for the pun, self-indulgent whimsy with enough year to make a short story but which is trashed out tediously to novel length. It would be a very resourceful person who had nothing better to do than read this book.

Arthur Martin

Dudden, was the old-time student boyfriend of Sarah: he would twiddle and tweak her nipples as though he were adjusting a television set "trying to get a good picture for News at Ten". That is as far as Coe goes with sex scenes: he admits to living in fear of the *Literary Review's* Bad Sex Award.

Coe's novel is refreshingly incorrect politically. It is bitingly and justly satirical, particularly of the nation's school education system, the plight of teachers over-inspected and interfered with by quangos, and of management ethics introduced into the health service. The "role-playing modules and creativity enhancement procedures" administered by instructors, with "the vacantly shining eyes of the evangelical zealot" at a NHS psychiatrist's conference, ring too true for comfort.

Jonathan Coe's successor to the cult novel *What a Care Up!* is superbly entar-

ting and it too has its

numerous literary allusions:

Pinter's plays "appeal to the

misogyny deep within the

male psyche." The house of

sleep is Ashdown, a huge

house in the middle of the

country, with a garden and a

small stream running through it.

It is a clever, witty book.

Coe is fascinated by film and hence the cinematic qualities of the mind in sleep. He is concerned with language,

The Financial Times plans to publish a Survey on

Leeds

on Thursday, July 3

For further information, please contact:

Pet Looker on Tel +44 161 832 9381 Fax: +44 161 832 9345

or your usual Financial Times representative

FT Surveys

At war with the Desert Fox



Rommel, centre: a 'great' soldier and a 'good' German?

About five-sixths of the way through this memoir, Hans Werner Schmidt suddenly gives his game away. "I do not subscribe to the theory that Rommel was a superman. I found him much more unimaginative and stolid than the romanticised pictures that have been drawn of him by both friend and foe."

Schmidt's book, now reissued, first appeared in Britain in 1981. There was a market for it, and the text aims surely at it. In mid-war, when Rommel had seemed to be making fools of a succession of British commanders in North Africa, Churchill had had him beaten him in the House of Commons as a "great general". That Montgomery and the Eighth Army had then beaten him had proved that they were great soldiers, too.

Then Rommel had been unwittingly implicated by a conspirator in the unsuccessful July 1944 bomb plot to kill Hitler. Given a choice of a trial for high treason or suicide with a state funeral, Rommel had chosen the latter. So he stood forth as not only a "great" soldier but also a "good German."

Hans Werner Schmidt had been a rare privilege, and his name was a selling point for Schmidt's book, which is mostly about Schmidt's own adventures as an infantry officer after he had asked to leave Rommel's staff to get into the fighting. He had known the man as well as a close subordinate could, but halted some way

short of idolatry. Schmidt was a keen university student plucked from his studies. He had spent the first four years of his life in South Africa – which may explain why he gives South African troops an unexpectedly high profile in his account of the Desert War. It certainly accounted for the Wehrmacht's decision to send him to Eritrea in 1940, to collaborate with the Italians facing British troops there. As Mussolini's East African empire collapsed, he was ordered to join Rommel and got out of Asmara on the last Axis plane to leave.

He does his best in his

early pages to make his

own eponymous hero somewhat

awful. Rommel's "handshake" is "powerful". His blue eyes are steady. "His mouth and chin are well-formed and strong." Rommel was certainly a dedicated commander. "He wanted to be in a dozen places at once."

His charisma with his Ger-

man troops depended on the

reckless zeal with which he

popped up anywhere and

everywhere on the front. He

drove about in a captured

British command truck – the

Germans called it a "Mam-

moth" – with a large pair of

British sun-and-sand goggles

over the gold-braided rim of his cap peak. When his driver was shot, Rommel drove the Mammoth himself, and the Germans called it the "Mam-

moth" – with a large pair of

British sun-and-sand goggles

over the gold-braided rim of his cap peak. When his driver was shot, Rommel drove the Mammoth himself,

and the Germans called it the "Mam-

moth" – with a large pair of

British sun-and-sand goggles

Visions from the vaults

At the height of his career in the 1930s, the American Clifford Coffin was as highly paid as any photographer in the world. He retired from professional work in the 1960s, having made enough to live on, and died in 1972 at the age of 88, reclusive and virtually forgotten. To quote the press-release to the National Portrait Gallery exhibition, he "is known to a handful of admirers as the greatest of Vogue magazine's 'lost' photographers." Too true, and it was Vogue itself, as much as anyone, that did the losing.

We should not be too unsympathetic; archives are space-hungry luxuries and who would blame any modern magazine for undervaluing its cumulated past. And Coffin himself had the bad luck to contribute to his own obscurity with a fire that destroyed the entire contents of his New York studio in 1965. Even so, much survived in Vogue's London basement into the 1980s – until some bright executive spark required space for other things. Old filing cabinets, their drawers full of Coffin's proofs and negatives – and not only his – went on the skip.

But even at the time wiser councils did prevail enough for something to be saved. Now Robin Muir, a former picture editor at Vogue who did much to save and reassess what was left, has with this exhibition restored to Coffin the public reputation he deserves.

So often with fashion photography, the work is as much to do with portraiture as with fashion, and with Coffin there is no real distinction to draw between his work in the two fields. It is clear that he brought not merely the same high discrimination, judgment and technical finesse to bear in either case – his unremitting perfectionism would often reduce his models to tears – but the same aesthetic. His portrait subjects are disposed with the same formal clarity and precision as his clothes-horse models, and his models, known or anonymous, stand always in *propria persona*, quite themselves.

He was not altogether the pioneer in this respect of model as person, for photographers such as Steichen had been there before him. But he removed from it the theatricality, that sense of conscious presentation of the clothes even as he was effectively describing them. There is, on the one hand, the formal composition, closely defined in the exact flirt of a skirt in silhouette against the open door, the leaning figure relaxed against the distant curve of the bridge; on the other, for all that perfectionism, a compensating naturalism that immediately engages.



Unknown fashion models, Los Angeles 1948, by Clifford Coffin: the NPG exhibition restores to this 'lost' photographer the public respect he deserves

Opera/David Murray

Effervescent Mozart

Glyndebourne has revived *Le nozze di Figaro* again in Stephen Medcalf's 1994 production, the one that triumphantly inaugurated the new house and also marked the 50th anniversary of the very first Glyndebourne *Figaro*. Now it has an all-new cast.

Some of the original tang is lost, but it remains a thoughtful, serviceable staging that mostly lets Mozart's music dictate how things go on. Conductor Sir Charles Mackerras kept *Figaro* buoyant and effervescent from the first bars of the overture, never missed a dance-rhythm (though certain singers had an uneasy rapport with him) and encouraged vocal ornamentation.

He also insisted upon including the duet songs in Act 4, Marcellina's homely "Il capr'e la capretta" and Basilio's donkey-skin fantasy. Susan McCulloch's ample, maternal Marcellina and Ryland Davies' arch music-master delivered them

much better than most; but if Act 4 had built up any comic tension these superfluous numbers would still have hamstrung it.

In fact Medcalf has that "twink" garden" act played out as a bold charade. Everybody can see everyone else perfectly well, so pretences at hiding and impersonating are empty. His least happy touch smudges Susanna's sublime "Deh vieni" (though Rosemary Joshua sings it exquisitely); instead of retreating to a discreet distance the Countess is planted in the foreground, miming the song like a Leporelli lip-synching Don Giovanni's voice.

The performance is dominated by Joshua's Susanna, whose intelligence and practical sensitivity – not to mention her cagey wariness and irony – set her a couple of levels of sophistication above the rest of the cast. Her Figaro is Anton Schuringa, who boasts most of the strengths needed but

remains a averagely simple character. There are beautiful regions in his baritone, reminiscent of the young Hermann Prey.

Wojciech Drabowicz, Glyndebourne's recent Eugene Onegin, makes a handsome brute of the Count but accepts his repeated defeats with a nice amalgam of gaucherie and grace. Rather too often his climactic notes are just shouted. As for Norah Amissem's strong, well-acted Countess, her native (American) soprano is surely gearless to opera of a century later. Her impassioned recitations humped through Mozart's decorous limits, and when she reigned in her scale for "Dove sono" she became artificially dainty.

Susannah Waters' omnivorous Cherubino is disconcerting. She sings him elegantly, but portrays him as the weediest, most pallid 14-year-old boy ever to be seen in "his" erotic maniacal role. His cheerful Barbarina (Linda Tuvas) is much bigger than he is.

Nonetheless it works, and large. Enrico Fissore's crusty Bartolo cuts a good figure, and Ian Page supplies a cleverly alert continuo at the harpsichord. On the press night, the audience seemed honestly delighted.

Revival sponsored by Associated Newspapers; further performances until July 28.

ART GALLERIES
HOCHTANZ, 41 Old Bond St. W1.
FRENCH IMPRESSIONS – An
Exhibition of French Paintings, 1840-1940.
MAY 30-JUNE 23, Sat 11-4, Sun 1-4, 0171 481 7284

LEVEREY GALLERY 38 Bruton St. W1.
0171 422 2107. An Exhibition of Works
on Paper. Until 4 July. Mon-Fri 10-6

ST. JOSEPH'S HOSPICE
MARE ST. LONDON E1 4SA.
(Charity Reg. No. 233222)
"Her final days with you were among the happiest of her life. Your gentle skills convert the dismal business of dying into an artform."

These poignant words from a bereaved husband are echoed again and again by grateful families.

They are quoted here in thanksgiving to you for the kind support on which our care depends.

Sister Superior

THE INTERNATIONAL CERAMICS FAIR AND SEMINAR
13, 14, 15, 16 JUNE 1997
THE PARK LANE HOTEL, PICCADILLY, LONDON W1
TEL: 0171 584 5847, FAX: 0171 584 4884
INTERNET: <http://www.ceramicsfair.com>
EMAIL: ceramicsfair@btconnect.com

This coming Monday

brings the sixth and last in a BBC series called *Tales From The Riverbank* which seemed at first to be just another set of programmes about fishing.

Even so, what we have never held a rod in our lives tend to know what these programmes are like: they feature men in anoraks who go to absurd lengths to spend a night crouched by a god forsaken lake waiting for a bite from a legendary fish which only ever appears when the moon is waning and some obscure insect is hatching. Since fish never bite when there is a camera within 50 yards, we, the viewers, spend a lot of time looking at the rain and hearing the angler muse about his wife, how much he hates his job, and the one that got away. Such programmes powerfully reinforce the determination of non-fishermen not to fish and inspire bafflement about why fishermen bother.

At first *Tales From The Riverbank* seemed set to cover much the same ground. Or water. True, the presenter was actor Geoffrey Palmer, one of the mainstays of British situation comedy (see him tomorrow night with Judi Dench in *As Time Goes By* on BBC1) who has a splendid voice, very suitable for commentary. In programmes such as these, but he was wearing one of those sleeveless anoraks covered in pockets, and he did seem to be just as barmy as all the other fishermen you ever met. However, quite it started to become clear that these programmes were not to be entirely conventional. Having gazed across the water from the fisherman's point of view, the camera then cut to a reverse angle to gaze back from the fish's p.o.v., and that sequence became the fixed heart of the series.

There is nothing very surprising in this once you

Television
Hooked on fishy tales

remember that *Tales From The Riverbank* was made by BBC Bristol, home the Natural History Unit, outfit which leads the way in developing and exiting equipment and techniques designed to make it possible for us to watch molting ground, birds in the nests, or – of course – under water.

Their expense is now such, ironically per, any one with little knowledge of the techniques may have worried just how contrived or the footage in this has been. Obviously you cut from a shot of a pike fisherman, taking an enormous cast in underwater shot of pure plowing down in it of the pike's nose; the fish promptly snags at it, something fish (sorry) is going on.

The camera operator has not leaped in the water and raced across the loch, beating the card arriving in time to film arrival, so what has happened exactly? It would be arresting to know how many of the underwater sequences – many of the beautiful – were shot inks, and how many, if any, location, not because seems to be any ethi problem, but simply to be able to appreciate the tynd degree of expertise it involved. Lighting, water currents, and all other details invariably matched precisely, so perhaps they did do the

underwater shots on location. But they were not the only constituents setting these programmes apart.

Whether the subject has been fly fishing for salmon on the Wye, lake fishing for unnaturally gigantic pure-bred trout (why not buy your trophies from a fishmonger?) or – as in the final programme on Monday – fishing in various odd places for eels, the approach has often been much like that of previous angling series.

However, although passion, dedication and obsession are all present, there has been, over and above those, a quizzical and semi-mocking tone. That, added to the attractions of the settings and the wildlife, has made a series with an appeal way beyond the ranks of Izaak Walton followers. Furthermore, the deliberate inclusion of the idiosyncratic – the man with a radio-controlled boat which dumps ground bait like depth charges precisely where he wants it, or the stories about Otto Overbeck who lured carp with posies of flowers – has reinforced that broad appeal.

Surprisingly in view of the popularity these days of vegetarianism, environmental campaigning and hostility towards blood sports, the one notable absence from the series is any attempt to rebut, or even acknowledge, the widespread feeling that fishing is cruel. Many non-anglers clearly believe that digging hooks into fish and dragging them out of their natural element is wrong, no matter how loud the fishermen's declarations of love and admiration for the fish. If the Blair government bans fox-hunting can it, in all logic, permit the continuation of the activities so vividly depicted in *Tales From The Riverbank*?

Christopher Dunkley

Radio/Martin Hoyle Power of the single voice

I suppose the radio equivalent of the talking heads so shamed by the reading voice. In both cases it is the content rather than any pretentious attempt to exploit the form that counts.

Talking heads can be fascinating. A single voice reading can be enthralling. Last week Radio 3 put our money where its mouth is with a series of readings from fiction in translation, and the result was moving and made

before last Liz Crow read her own *Dear Diary* (Radio 4), dealing with a trip to Tijuana. No holiday this, but a desperate recourse to alternative medical treatment for a young woman who can no longer walk.

Clarity, observation, shrewdness, good nature – everything someone in her position could be excused for not having was there. She is a natural writer; the result was moving and made one want to keep in touch.

Other good things

included *A Life in Crime*, presented by Frances

Fyfield, with such luminaries as P.D. James and Minette Walters, stylishly produced, talking of writing about murder in an agreeably chilling way.

An excess of mannerism made *The Man in the Elephant Mask* rather an odd experience. The story of Joseph Merrick, the "Elephant Man", was treated with high style, rather in the manner of a verbose Victorian melodrama with over-articulating common folk when in fact the story harrows and moves at its simplest, most human level.

Gothic feeling for darkness and menace was more successfully applied to Saturday's Late Night Theatre, *My Bed in Darkness*. Jonathan Myerson's script, Alison Hindell's production and a fine cast elevated this story of London's *bas-fonds* and its disoriented youth into something like a disturbing world picture. Terrifically gripping.

A new series dragged this week's high average down. John Waters' *Stuck In* provides a voice that may be our man's comedy but is another's deep irritation. Waters' consciously droll approach is basically as patronising as Arthur

Smith's in *I'm Still Standing*, a progress through Europe's famous bars.

Smith was at his worst at Harry's Bar in Venice, incredulous at the fact that some people don't go to a bar to get plastered, implicitly telling the Italians off for not talking English and having a foreign culture (he knew the word "carpaccio" as food, not the name of a painter, and suggested that this dismissiveness was the norm).

As for Walters, he was making merry at the expense of Hall (Hall, I ask you), his running gag being the David Whitfield Memorial Garden. But come to that, do you know where Lord Reith's grave is? You can identify it by the number of BBC oafs dancing on it.

BRITISH MASTER GOLDSMITHS

29 MAY-
28 JUNE
1997

A Goldsmiths' Company Exhibition

Goldsmit's Hall, Foster Lane

London EC2V 6BN

Monday-Saturday 11.00-17.00

Admission Free

St Paul's

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

1997

<p

ARTS

New pride of Lille

The Palais des Beaux Arts has been transformed, writes **Antony Thorne**

A couple of years late, and many millions of francs above budget, the Palais des Beaux Arts in Lille has finally opened. It has been well worth waiting for. The actual art collection may not have improved much during the eight-year closure - the only two major acquisitions were paintings by Chardin and van Hemessen - but the look of the place has been transformed into one of the most intriguing exhibition spaces in Europe.

The Palais was built just over 100 years ago in a grandiose classical style to house one of the best provincial art collections in France. The collection boosted by Napoleonic plunder and the need to bolster Frenchness in a border region. Even then ambition exceeded means, and the Palais was halted half way through construction.

The architects of the revamp, Jean-Marc Ibos and Myrto Vitar, have made excellent use of the space left empty at the rear of the museum. There they have built a new administration building, but one fronted with burnished reflecting glass, upon which is mirrored the stately lines of the original building, some 40 metres away. It creates a striking image, conveying the flickering reality of an Impressionist painting.

The other challenging feature of the refurbished museum is that the architects have totally cleared it of art - at least in the central ground floor atrium. This is now a vast communal space, made even more bizarre by its decoration with 48 one-metre square glass cubes on plinths, created by Giulio Paolini, all of which are totally empty. In the vast foyer to the Palais there is another modern art concept, two huge light fittings composed of coloured glass, created by another Italian artist, Gaetano Pesce.

The art is hidden away: a 19th-century sculpture gallery down one wing of the ground floor; and the important collection of drawings, which includes works by Raphael, in a hollowed out basement area.

There is still a place for new opera recordings with a star's name on the cover. Opera-lovers with an eye on the past may protest that singing is not what it used to be, but the public always finds new stars and some of them make records worth hearing.

One of the best sellers among the younger generation is Cecilia Bartoli, the Italian mezzo signed up by Decca when she was an unknown quantity to the rest of the world. Bartoli is not a typical prima donna. Because her voice is on the small side, hers is an artistry based on agility and words, rather than power or beauty. There will not be any Verdi or Puccini from her, but Decca can use her popularity to venture down paths where most prima donnas do not wish to tread.

So far Bartoli has recorded a couple of her favourite Rossini roles and the obvious Mozart. But her new set of Haydn's rarely-seen *Orfeo ed Euridice* makes a more interesting departure and there is likely to be early music, such as Monteverdi, to follow. Of course, Haydn is classified as early music in some quarters today and Bartoli's colleagues on this recording are the Academy of Ancient Music under Christopher Hogwood, playing with the same 18th-century grace that has characterised their Haydn symphony cycle.

On the soundtrack of the stars

Record review/Richard Fairman

There is growing quickly both for Bartoli herself, the opera affords a well-tailored, if not quite starring role. Having given Euridice a couple of attractive arias, Haydn virtually writes her out of the opera from the half-way point, when she is sent down to Hades. By way of compensation Decca gives Bartoli the additional role of the "Genie" or Spirit, which inconveniently involves her having a brief conversation with herself in the last act, but also bands her the opera's most dazzling aria, "Al tuo seno fortunato". Full of fireworks well up in the soprano register lines.

Bartoli sings both that and Euridice's music with fizzing elan, although her fondness for whispering breathlessly into the microphone is starting to become a habit. With Uwe Heilmann as a nicely poetic Orfeo and Ildebrando d'Arcangelo in the role of Creonte living up to his growing reputation as one of Italy's best young baritones, this is altogether a stylish and lively performance of a Haydn opera that is worth getting to know.

Given the stars on EMI's recording of *La Bohème*, this is the first complete opera to feature together opera's best-billed love birds, Angela Gheorghiu and Roberto Alagna. When there are so many romantic French and Italian operas in which they can play the part, this rarity in Puccini's output seems a strange first choice, but one that has worked out very well. There is an insouciance about the romance which is just one tear-in-the-eye romance asks

croix to Courbet; and some good Symbolists. There are also important Goyas, and a nod towards the Impressionists with works by Monet, Renoir, Sisley and Van Gogh.

But the main attraction of the Palais is the building - expensive, at around £27m for a facelift, but an intriguing mixture of solid 19th-century stone and late-20th century post-modernism. Throw in the fact that this lively, confident, fast-changing French city is just two hours from London by Eurostar, and this is one occasion when the art can act as the hot's d'oeuvres for a continental feast.

It is a simple, innocent world. Tarry's search for love comes to nothing, even

Theatre/Kieran Cooke Rural idyll punctured

Patrick Kavanagh, one of Ireland's most notable post-war poets and prose writers, had no doubt about the merits of his novel *Terry Flynn*. "In all modesty this is the only book that tells the truth about rural Ireland."

Terry is a farmer and romantic who wanders the fields and hedgerows thinking endlessly of poetry and love. Terry loved all nice girls. He loved virtuous girls, and that was one of the things he admired the Catholic religion for - because it kept girls virtuous until such time as he'd meet them.

Terry Flynn is set in the border countryside of Ireland in the mid 1930s. The Abbey's adaptation, directed by Conall Morrison, leads us skipping and dancing down the lanes of those times.

Kavanagh, brought up in the same borderlands but an habitual of several Dublin drinking establishments in the 1940s and '50s, punctured the rural idyll. "Hating your neighbour is an essential part of a small farmer's life" says Terry. When *Terry Flynn* was published in 1948, the book was banned and only began to appear on Ireland's bookshelves in the late 1960s.

The old icons of rural life are paraded. Terry's mother watches over him every move, chastising him for being late for church and for burying himself in the "Curse Of God books". She loves Terry, but has no time for anyone else. Her three daughters can't find men and won't have home. "They are stuck like a blind to my window". One neighbour has hair like an exploded mattress. Another has a mouth "as tight as a crow's arse."

The priest, the supreme authority in the neighbourhood, rails against the sins of the flesh and worries about life "boiling over into a wild orgy of lust".

It is a simple, innocent world. Terry's search for love comes to nothing, even

when he finds a girl. "He was sitting closer to a girl than ever before in his life. It was what he always dreamed of. He was very unhappy."

Purists might object to some aspects of this adaptation. At times *Terry Flynn* is in danger of descending into pantomime. It is saved by its energy and imagination and a wealth of versatile acting. James Kennedy, as Terry, is a Chaplinesque figure, bobbing about in a state of poetic confusion, taut with suppressed desire. Pauline Flanagan as the mother is part harridan, part comic spinner of home philosophies. "I may be decent but I'm not stupid" she says. "There's more in this bed than you can take out with a comb."

In much of his writing Kavanagh emphasised the close relationship between man and nature. In this production there are some highly engaging animals. Actors in flat caps chuck about the stage, hopping on tables. A belligerent beifer smokes a cigarette after an encounter with the bull. A new-born calf reads from *Madame Bovary*.

There are those who argue that *Terry Flynn* is a museum piece, that Ireland has moved on. Many of the old verities and stereotypes of Kavanagh's time have disappeared. Yet rural Ireland can still be a dark and brooding place, full of petty squabbles and jealousies.

Kavanagh could only write about the Irish countryside from the safe distance of Dublin. In the end Terry realises he too must leave for the city, despite his love for the fields and animals. An uncle encourages him. Distance, he says, is the only thing liable to make the heart grow fonder. "The best way to love a country like this is from a range of not less than 300 miles."

The Abbey Theatre, Dublin, until June 28.



Rubens' 'Descent from the Cross', one of the museum's finest paintings, displaying its sinuous magnificence

tury. It is in a representative national, alone international, collected.

There are, however, good, interesting rooms, rich with classical paintings, rich in 1840s showing romanticism to

croix to Courbet; and some good Symbolists. There are also important Goyas, and a nod towards the Impressionists with works by Monet, Renoir, Sisley and Van Gogh.

But the main attraction of the Palais is the building - expensive, at around £27m for a facelift, but an intriguing mixture of solid 19th-century stone and late-20th century post-modernism. Throw in the fact that this lively, confident, fast-changing French city is just two hours from London by Eurostar, and this is one occasion when the art can act as the hot's d'oeuvres for a continental feast.

It is a simple, innocent world. Terry's search for love comes to nothing, even

pete on price. This is what Naxos has been doing with notable success in the orchestral and instrumental categories and it is also building up more slowly a catalogue of complete operas. The recording of Debussy's *Pelléas et Mélisande* comes from a stage production at the Opéra de Lille.

In the best sense of the term, it is a team effort, distinguished by an innate sense of French style. The Lille orchestra may not be one of the foremost in the world, and it is inevitably reduced to a thinner sound in the pit than one hears on studio recordings of the opera, but there is a freshness about its playing under Jean-Claude Casadesus that is sufficient compensation. Except when the singers stray away from the microphone, their words are commendably clear.

Mireille Delunsch as Mélisande and Gérard Thérèse, a light baritone worth watching, as Pelléas both sing the French text with simplicity and meaning. Armand Arapian plays Golaud with understated menace and the only serious disappointment comes from the wobbly Arkel of Gabriel Bacquier, one of the great French singers of the post-war years and a star in his day, but not I fear adding to his lustre here.

So far Bartoli has recorded a couple of her favourite Rossini roles and the obvious Mozart. But her new set of Haydn's rarely-seen *Orfeo ed Euridice* makes a more interesting departure and there is likely to be early music, such as Monteverdi, to follow. Of course, Haydn is classified as early music in some quarters today and Bartoli's colleagues on this recording are the Academy of Ancient Music under Christopher Hogwood, playing with the same 18th-century grace that has characterised their Haydn symphony cycle.

Given the stars on EMI's recording of *La Bohème*, this is the first complete opera to feature together opera's best-billed love birds, Angela Gheorghiu and Roberto Alagna. When there are so many romantic French and Italian operas in which they can play the part, this rarity in Puccini's output seems a strange first choice, but one that has worked out very well. There is an insouciance about the romance which is just one tear-in-the-eye romance asks

croix to Courbet; and some good Symbolists. There are also important Goyas, and a nod towards the Impressionists with works by Monet, Renoir, Sisley and Van Gogh.

But the main attraction of the Palais is the building - expensive, at around £27m for a facelift, but an intriguing mixture of solid 19th-century stone and late-20th century post-modernism. Throw in the fact that this lively, confident, fast-changing French city is just two hours from London by Eurostar, and this is one occasion when the art can act as the hot's d'oeuvres for a continental feast.

It is a simple, innocent world. Terry's search for love comes to nothing, even

London remains a mecca for Oriental art

impressive annual exhibitions around the traditional focal point of the Grosvenor House Antiques Fair, Olympia and the International Ceramics Fair. For Far Eastern and continental clients, London is still a favoured place to shop, and its expertise is unrivalled.

Certainly this season's shows demonstrate the range and quality of material on offer. Eskenazi offers a choice show of Buddhist sculpture, the field the gallery has pioneered in the west (10 Clifford Street, W1, until July 12). Examples have been pouring out of China over the last two or three years. This group spans nine centuries, and in scale anything from a 19cm high gilt-bronze Buddha of the Tang period to the imposing marble torso standing over 2m high, a victim no doubt of the iconoclasm that followed the official suppression of Buddhism in China in 845.

Most striking is a provincial limestone panel from the end of a sarcophagus, dating from the Northern Song period (960-1127). The central figure of a monk appears through open doors, flanked by Bodhisattvas, and guarding the flight of steps below are not lions but two curly-tailed dogs. Harnessed ponies carved in low relief await among rocks and pomegranates, dragon and lotus scrolls. It is as splendid an invitation to the after-life as anyone could hope for.

Stephen Marchant & Son's latest scholarly exhibition and catalogue, the 11th in 17 years, focuses on Chinese porcelain. Seventeenth-century blue and white and copper-red and their predecessors" brings together some 70 pieces of the Ming and Qing periods. On show are Imperial wares made for the general domestic market and for export, primarily to Japan and the west. Prices range from £850-270,000. (120 Kensington Church Street, W8, until June 20).

Japanese export porcelain of the late-17th and early-18th centuries is under the spotlight at Barry Davies Oriental Art. (1 Davies Street, W1, June 17-27). The gallery has secured the Koimari porcelain formed by Dr Oliver Impey.

Some pieces are included predominantly under Imari, white and black enamels, and white wares, polychrome Imari. Prices range from £250 to £120,000 for a pair of blue and white vases and cover of around £100 for a decorated exotic pine, bamboo.

Over the years, interest has been shown in the previously maligned work of Meiji and Japan (1860-1912). The fourth sees two specialist shows. Spink presents a group of 47 pieces of predominantly Meiji lacquerware from a private Japanese collection. These are rizy objects depicting the technical quality of the Meiji period and the full repertoire lacquer techniques. The no holding back here. The tour-de-force is a spectacular cabinet, probably made for the International Industrial Exposition in Tokyo, completed lac-

quered doors, ivory inlay, applique work - and a touch of European Art Nouveau (£250,000). At 5 King Street, SW1, June 18-27.

Round the corner at 8 Duke Street, Malcolm Fewster's inaugural show at the Asia Art Gallery focuses on Meiji and later Taisho period metalwork (June 18-27). In

"Flowers of the Chisel", Fairley looks less to the ornate decoration of late-19th century Japan than to the more restrained productions of Japanese artist-craftsmen of the early-20th century. Most of the 37 pieces are signed by individual artists - Shomin, Katsuyoshi and Shunmin, among them - and range from figurines to engraved and carved vases, panels and boxes. Prices £2,000-£10,000.

Gerald Haworth, formerly of the Oriental Art Gallery, presents his first catalogue and show of a wide range of Chinese, Japanese and Korean works of art. At 104 Mount Street, W1, June 9-22. Prices £250-£25,000.

Former partner Roger Keyser, in association with Michael Gillingham, presents their similarly broad-brush show of Chinese works of art down the road at No. 120. And Chinese snuff-bottle specialist Robert Hall has unveiled their annual exhibition, until June 21 at 156 Clifford Street, W1.

Virtually minutes after the show opened London's Anthony d'Offay Gallery sold both a large format

croix to Courbet; and some good Symbolists. There are also important Goyas, and a nod towards the Impressionists with works by Monet, Renoir, Sisley and Van Gogh.

But the main attraction of the Palais is the building - expensive, at around £27m for a facelift, but an intriguing mixture of solid 19th-century stone and late-20th century post-modernism. Throw in the fact that this lively, confident, fast-changing French city is just two hours from London by Eurostar, and this is one occasion when the art can act as the hot's d'oeuvres for a continental feast.

Art Basel
Modern icons up for grabs

and placed in the care of its very own security guard.

At far more accessible prices - £100 or so, for certain prints - the cutting edge of contemporary art is found on the first floor of the Basel fair. One section, entitled *Statements*, is devoted to 20 one-man shows by less well-established artists such as Darren Largo. Alongside a busy video hall, 18 dealers propose photographs, from Helmut Newton's latest nudes with Rudolf Kicken of Cologne, to meticulous pre-war prints by André Kertész or large format colour photos of disassembled flowers by Mat Collishaw.

Elsewhere on the first floor, the Donald Young Gallery from Seattle is exhibiting recent sculptures of hands by cult US artist Bruce Nauman. Jay Jopling from London, with mainly British artists, sold three-quarters of his stock on opening night. It included two never previously shown sculptures by Damien Hirst: "Dance Naked", a glass cabinet packed with surgical instruments and two human skeletons; and "Horror at Home", a giant ashtray full of real cigarette stubs, cigarette packets and ash. Both were bought by museums.

Nicholas Powell

Appointments Advertising

appears in the UK edition every Monday, Wednesday & Thursday and in the International edition every Friday.

For further information please contact: **Toby Finden-Crofts** +44 0171 873 4027

SHAKESPEARE'S GLOBE THEATRE

Opening Season

27 May - 21 September 1997

BO 0171 544 4444 (24 hrs)

0171 401 9919

Henry V

The Winter's Tale

For further information please contact:

Toby Finden-Crofts

+44 0171 873 4027

**Appointments
Advertising**

appears in the UK edition

every Monday, Wednesday & Thursday and in the International edition

every Friday.

For further information please contact:

Toby Finden-Crofts

+44 0171 873 4027

**Appointments
Advertising**

appears in the UK edition

Jack Nicklaus

SPORT

Sporting Profile

The golfing record book writes his final chapter

Derek Lawrenson is full of admiration for the remarkable feats of Jack Nicklaus – and recalls one of the greatest ever acts of sportsmanship

Sam Torrance withdrew before the start of the first round with a pulled neck muscle at the recent Deutsche Bank Open golf tournament in Hamburg. Bernhard Langer was taken to hospital with back spasms; and Severiano Ballesteros spoke of the back surgery he was considering that would rule him out of all competition for the summer.

I highlight these three cases because they put into context a remarkable feat of longevity that has been taking place this week at the US Open, with Jack Nicklaus competing in his 150th major championship.

On these pages two weeks ago, a profile was run of Cal Ripken Jr, the baseball short stop who has turned out for 2,400 consecutive games for the Baltimore Orioles, dating back to May 1982.

Nicklaus's record is just as extraordinary. He made his debut in a major in 1957, missing the half-way cut in the US Open, and has played in 142 consecutive majors since 1962. The 57-year-old is threatening to bring the streak to a close and not play at next month's Open at Royal Troon. "I shall see how I play at the US Open," he says. "It would be a pity if he were to stop now, if it was over the Ayrshire course that he made his Open debut, 35 years ago.

Judged by the criteria used in other sports, a record of 18 wins in 19 grand slam events is perhaps nothing special. In golf, he is so far ahead of anyone else – Walt Hagen is next best with 11 that his old friend and adversary, Tom Weiskopf, once said: "Jack Nicklaus is to record book."

Yet, what is still more amazing is the fact that Nicklaus has finished in the top three in no fewer than 49 of those grand slam events, a level of consistency that almost defies belief. His impending retirement comes at a timely moment with the emergence of Tiger Woods, the first golfer for a generation to come along who might one day challenge Nicklaus's record.

At 21, Woods actually ahead of the great man at the same age, which is some going when one considers that Nicklaus won the US Open in his first season as a professional.

The similarities are too

great to ignore. When Nicklaus emerged from college he drove the ball 30 yards past anyone else and possessed such a strong mind and virtues that had been thought priceless, such as experience, were overcome. He was arrogant, too, and was disliked by some professionals because he dominated to such an extent that he trampled on their egos.

Change the word Nicklaus to Woods, and we have the start of his heading into the second major championship of the season. "I used to laugh all those years ago when I was hitting eight and nine from the greens and others were hitting four and five irons," Nicklaus said recently. "Now it is Tiger's turn to snigger and

Jacklin looked stunned by Nicklaus's gesture. He later said it was a pivotal moment in his life

say. "Tough course, huh?"

With a generosity that is characteristic of the great golfers as they head towards their dotage, Nicklaus has been fulsome in his praise of the young pretender. It was Nicklaus's predecessor, Bobby Jones, who once said:

"He plays a game with which I am not familiar." In the US Masters at Augusta in April, as Woods completed his record-breaking triumph, Nicklaus recalled that quote, the greatest compliment ever paid him. "I tell you this," he said. "It is a shame Bob Jones is not here this week, he could have saved his words from 1963 for Tiger. Because he certainly plays a game with which one of us are familiar."

What the golfing world awaits is how Woods will react to adversity, because of all Nicklaus's many assets, this was the one that set him apart. Even genuinely great players who came after him, such as Tom Watson and Severiano Ballesteros, found it hard, ultimately, to cope with crushing defeat.

Watson was never the same player after losing the 1984

Open to Ballesteros; the Spaniard lost the feeling of destiny he possessed when he unexpectedly fell away at the 1986 Masters. Twenty years ago,

Nicklaus shot 65-66 in the final two rounds of the Open, yet still lost to Watson on the final green. Who could have come back from such heartbreak? Nicklaus came back and won the following year.

His legacy to golf is truly enormous. Not just the fact that he is the record book. Far more important is the way he has conducted himself, both in victory and defeat.

After that immense loss to Watson, the first man to embrace the victor was Nicklaus himself, forgetting his own disappointment to recognise the skills of another. In 1996, at Augusta, two men who were inspired to take up the game after watching Nicklaus also embraced after a similar gladiatorial battle for the Masters. Golf was rightly proud of Nick Faldo and Greg Norman that day but it was the example set by Nicklaus that lay behind it.

Then there is the Ryder Cup. It has become one of the leading events in the sporting calendar because of two things: it is invariably a titanic contest, and it is played under a code of great sportsmanship. Nicklaus was largely responsible for both.

In 1977, tired of the

one-sided affairs that were a hallmark of the Ryder Cup matches between the US and Great Britain and Ireland, it was Nicklaus who suggested that the latter side be augmented with the best of the Europeans. It was only after that suggestion was implemented that the Ryder Cup became a contest in the true sense of the word.

Eight years earlier, he had

rewritten the book on

sportsmanship, too. For

once, the Ryder Cup was a

close-run thing. With one

match on the course, the

scores were dead, the game

that would decide it featured

Nicklaus against the British

sporting hero at the time,

Tony Jacklin.

"How do you feel?"

Nicklaus asked Jacklin on

the 18th hole, the score all

square.

"Bloody awful," said

Jacklin, candid as ever.

"If it's any consolation, I

don't feel so clever either,"

Nicklaus replied.

In the end it came down to

a 3ft putt that Jacklin had to make to force a halved Ryder Cup. While Jacklin contemplated the putt, the scene went through Nicklaus's mind: he thought of the devastation that would face Jacklin if he missed, the man who had won the Open three months earlier, now possibly perceived as a failure because of a missed short putt; he thought of a Ryder Cup being decided on such a mistake.

Nicklaus decided that it was not worth it. He walked up to Jacklin and picked up his marker, conceding the putt. "I'm sure you would have holed but I was not prepared to see you miss," he told him.

Was it the greatest

sporting gesture of all time?

The American captain Sam Snead did not think so. He was so livid he could not bring himself to speak to Nicklaus.

I would rather rememb-

Jacklin's reaction. In the photographs that capture the moment, he looks stunned by the gesture. Years later he would talk about it being a pivotal moment in his life.

One record that did elude

Nicklaus was the Grand

Slam, which will surely

always stand out of the

reach of any golfer. Ben

Hogan came closest in 1953

when he won the Masters,

the US Open and the Open,

but he did not enter the

fourth major, the USPGA Championship. The closest Nicklaus came was in 1972, when he won the first two legs. But for the third, the Open at Muirfield, he was troubled by back pain and almost withdrew at one point. He still finished runner-up, a single shot behind Lee Trevino.

At the US Open at Congressional, Washington, this week, Nicklaus could hardly have been expected to make the cut. Age has

withered him. He looks smaller, the arthritis in his hips causing him to stoop.

But he will patiently be

answering all the inevitable

questions about Woods.

And, at the end of his last

US Open, Nicklaus's

acknowledgement of the

cheers and the farewells of

the crowd recall the graceful

manner that have been the

hallmark of his major

championship career – a

wave, a sheepish grin, and a

humility that becomes him.

Cricket

Leadership for winners and losers

Teresa McLean compares England and Australia's contrasting views of captaincy

The time the Australians visited Britain in 1988, the tour felt different from the start. After England's early defeats, I remember watching the home side being clobbered in the fourth Test at Headingley.

To relieve my misery, I wandered over to the pavilion and asked a dozen or so if he could find a touring piper who would agree to be interviewed.

At the time, Australia's first innings total was soaring 600 runs, only 10 batsmen were on the field, and the doorman pattered off saying he might be able to find me someone. He found the piper, Allan Border, who spoke me firmly on the subject of victory – "the only thing that matters" – making occasional diversions into subjects corrected with victory, such as clancy.

That was a different era. Even before it was summer's Testa

information and security checks. Captains Mark Taylor and Mike Atherton were inaccessible, except at a short press conference after each match.

Border was asked endlessly whether he thought he was worth his place as captain, in view of his failures with the bat, but not about the nature of captaincy as a job. A few years ago, Border would not speak about himself, only about the nature of his job as a tool of triumph.

Today has managed to penetrate the safety shield that surrounds him to give the impression that he is a nice chap, like his opposite number in the English team, both of them preferring to keep as quiet as possible.

I like Taylor much more than I liked Border, but as far as captaincy is concerned, the interest lies in the fact that Taylor embodies an essentially un-Australian style of leadership, foreign to Border and a whole tradition of Australian captains before him.

Australians pride themselves on choosing their Test players from them, then choosing the best of them to be captain. Not always, a tough Australian captain from 1972 to 1975, put it clearly: "A Test captain must earn the respect of every member of his team; he has to have shown there is no doubt that his playing talents have earned him the right to be in that team."

Chappell always despised the English fondness for choosing a captain for his qualities of leadership, then picking a team to be subject to those qualities, a fondness celebrated by the BBC Light Programme on February 9, 1977: "A captain leads a team and his men follow him – what Wally Hammond is to England today, Christ was to the early Christians."

Chappell would not have liked that. Until Taylor's heroic century at Edgbaston last weekend, his first in 23 Test innings, his lack of form had left the Australians with the question of whether he had become no more than a burden or whether his leadership justified itself by its match-winning successes, as English think-

ing would maintain and Australian results would seem to confirm.

He led his country to victory in two important series recently, against the West Indies and South Africa, although his own batting was pitifully weak. In so doing, he landed Australian cricket with a dimension in which English cricket seems to rejoice, whatever results it brings.

Perversely, the belief that a natural leader should be captain, however bad his play, can sometimes be strengthened by that leader's playing failures because they add to the feeling that he must have some extraordinary strategic value to contribute.

Captaincy is a secret weapon at heart, and as long as it cannot be worked out, it gives its team an advantage.

Until 1952, English selectors always chose amateurs as captains because amateurs could afford a cavalier willingness to take risks, which might confuse the opposition and encourage home bowlers and fielders, how-

ever things were going.

To Dexter first captained England in the early 1980s, when the distinction between amateur and professional was abolished. He was picked out by Gary Sobers as one of the greatest English captains, for being unpredictable in the daring smasher style. "You always wondered what he was up to. It made him hit to play."

In fact, I think that applied more to Dexter's batting than his captaincy, but Sobers' point is clear. Mike Brearley was a dedicated professional but his captaincy exuded an air of plotting and possibility which made him popular in his relatively successful years as England captain 1977-80, 31 Tests; won eight, lost four.

It is true that he led England against teams badly weakened by the divisions caused by Kerry Packer's attempts at reorganising cricket. But English people liked him because, as he put it: "I have always found the tactical aspects of the game as intriguing and fulfilling as batting." He revelled in captaincy as an art, a science and a game of wits.

That has never been an attractive proposition to Australians, who would rather make wily captaincy unnecessary simply by playing better than their opponents.

Australia's strength has loaded Taylor merely with the need to score his own runs, but that was a heavy enough burden to leave him noticeably relieved with his fine innings at Edgbaston.

Even so, nothing suits a captain better than winning, whatever philosophy he has inherited, and Taylor said after the match, through his smile: "I would prefer to get nought and win the game rather than 100 and lose."



Mark Taylor would have preferred a duck and a victory

How to Spend It



□ Clockwise from far left: Silver grey Prince of Wales check single-breasted jacket in wool-blend crepe, £175, and matching plain-top tapered trousers, £25, by Artigiano (01993-822070). Pale blue silk/cashmere V-neck cardigan, £159, from Cashmere Design (0171-240 3652). Oyster crushed velvet tunic shirt with epaulets and three buttons, £199, by Kinghill Own Label, from the June collection. Lightweight indigo cotton apron dress, £39, and pale blue sleeveless, crew-neck cotton sweater, £18, from Racing Green (0345-331177). Ballet wrap cashmere cardigan in turquoise, £128, by Brora (0171-352 3697). Cream tunic top in viscose/cupro, with shawl collar and deep side vents, £199, and matching flat front jeans, £128, by Paddy Campbell, from Kinghill (01404-890555). Gold lamp clip-on ear-rings, £22, by Agatha (0171-495 2779). White linen long-sleeved overshirt with pockets, £68, and matching drawstring waist shorts, £55, by Boden (0181-453 1538).

Pictures: Wendy Carig
Styling: Belinda Morris
Hair and make-up: Patrick Swan at Stuart Watts

Fashion

Up hill, down dale and upmarket

Nowadays, the postman can bring desirable goodies, says Belinda Morris

Shopping by mail – did you think it was for the Crimplene-wearing financially challenged? Think again. Today's postal consumer may well be harbouring a gold card in her Prada bag.

As the image and nature of mail order has undergone certain changes, so must any preconceived notions of the typical home shopper. But what kind of woman with £500 to spend on a new suit would choose to do so through the post? A woman who lives in Orkney perhaps? A woman with a

pathological fear of sales assistants? A woman who bought the same suit, in the same colour, last season and the season before?

Until relatively recently, the home shopping market had not enjoyed the best of reputations. No faults with the concept, but its connotations have always been questionable for those with an eye on their social standing.

Buying from a catalogue – goods on tick – was tantamount to admitting to a financial insecurity bordering on desperation. This was targeted selling to a typical Next customer, with the editorial twist of a really attractive catalogue.

Compared with the giant agencies – GUS, Empire Stores, Kays and Freemans – the niche catalogues such as Next and its followers Racing Green, Kingshill, Boden and Artigiano, are still small fry. But while business for the big boys is static, these specialist, more upmarket companies are growing.

For proof of this expansion, we need only look at Racing Green, a mail order company launched in 1992 by independent retailer David Kranz after he sold his Blazer menswear shops at the end of the 1980s.

Thanks to Kranz's conviction that the UK needed a collection of well-made casual basics, of the sort sold by Banana Republic in the US, and that most ABC1 consumers would relate to pictures of real-looking people, the catalogue was a resounding success from the start.

Then, in October 1996,



Strappy gold leather mules with diamond buckles, £195, by Gina from Kinghill (01404-890555).

it's the real thing".

Kingshill learned its lesson when it came to presentation. The original 12-page desk-top published brochure, cold-mailed to 45,000 people, resulted in four orders. Today, the hard-backed glossy catalogue, shot by society photographers such as Litchfield and Swannell, is about as different from its agency sisters as it's possible to be.

One thing, most of the niche catalogues have in common, aside from a customer who is typically too busy working/being a parent/having better things to do on a Saturday than trawl Bond Street, are collections that might be described as classic, if not actually classic.

Claire Locke, an economics graduate with 10 years' experience of working with Italian manufacturers, is now into her fifth season with Artigiano. "I started this business because, after I had my two children, I saw that my priorities changed. I still wanted fashionable clothes but I no longer felt like paying £200 for a suit – something like £200 seemed much more like it but good quality at this price was hard to find."

"By getting my clothes made in Italy, using high-quality fabrics and putting on lower mark-ups than the big retailers have to put on, I can deliver very good quality at a good price."

She, too, seems to have found a market niche – turnover has doubled annually for five years and this year will be about £2m. "My customers are over 35," she explains, "and they like updated classics; but they don't want to change their wardrobes every season."

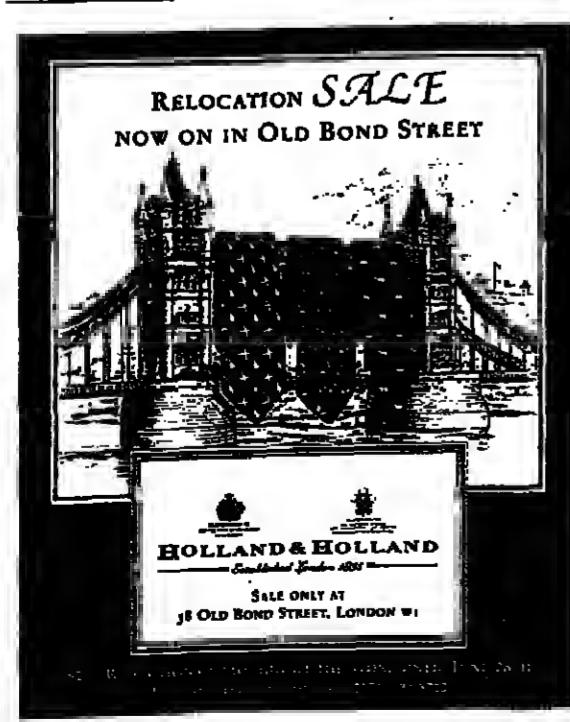
Way-out fashion in a catalogue won't make little sense, of course. "There's no getting away from the fact that return goods can be a nightmare for the customer and lifts any company to tell me they've cracked the problem," says Boden.

Davidson points out that clothes seen in the catwalk don't always reflect what she sees on the rails, and that it is important to select the easy, flattering pieces. If you want a little backless, frontless number that also reveals the colour of your knickers, it is very best to go to a shop.

It would also be best to look along the high street, suggests Boden, you need experience to "see in shopping". Catalogues don't come with thrills and spills and a sales assistant who will flatter you to making a purchase. While most of these catalogues do come with, however, and this, according to Boden, is where he has scored a lot of information about the products.

Locke is content to offer the best possible service to those she describes as "displaced shoppers" – many women whose favorite little boutiques have disappeared in the recession. Meanwhile, Davidson is about to launch her own collection of simple, curious pieces at slightly lower prices for the autumn – an unthinkable step 10 years ago.

■ All the catalogues mentioned are *available free*. Kingshill is free to the UK but charges £5 to *including* in continental Europe and £10 outside Europe.



Clip this in

HOW TO SPEND IT



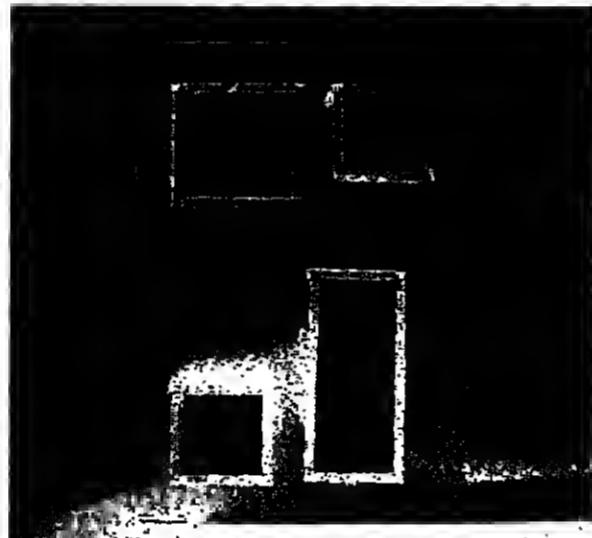
Silver salt and pepper mills (£542 and £492) by William Warren at Asprey



Frosted glass trestle table with metal tubes, by Christopher Hawker, Royal College of Art



Curvaceous blown glass vases in brilliant colours by Wendy Hooper at Thomas Goode which, together with Asprey, is holding a simultaneous exhibition to that at the RCA. The vases cost £30-£130 to order



Storage unit made from acrylic sheet with sprayed MDF board designed as a room partition by Milka Vještina at the RCA



Asymmetrical frosted glass beaker by Tristan Butterfield at the Royal College of Art



Silver drinking beakers (£365 each) and spiral pouwer (£345) by Daniel Warren on show at Asprey

It's show time for students

New arts talent is making an impression, says Lucia van der Post

If it's student show time - time to see what the young ones are up to - then it must be June. It's the time of year when most of the best arts schools and colleges open their doors to the public and give us a glimpse of what has been going on in the studios and workshops.

Most interest tends to focus on the Royal College of Art in London, as it is the only graduate college and therefore a filter for the best student talent. But almost all the art schools produce lively shows and increasingly offer fine art as well as applied art for sale and viewing.

Those who have an art school near them should make a point of visiting the shows as they provide a heart-warming lift to the eye and spirit. The Royal College, however, grabs most of the attention and its shows are regularly visited by talent scouts from the graphics world, as well as those from the art collecting world (most notably Charles Saatchi, who seems to love nothing better than catching the young and undiscovered), fashion houses (most of Europe's design ateliers have several ex-Royal College students), jewellers, ceramic and glass designers, and big industrial conglomerates looking for fresh ideas and new blood.

Though this year's shows are as lively and interesting as ever (most of the work is either for sale as it is, or

similar pieces can be commissioned from the students, who are usually hungry for work and money), an interesting new development is under way. Two of London's most prominent and luxurious shops, Asprey and Thomas Goode, have decided to look to where the future lies and are holding simultaneous exhibitions of some of the students' work.

Given that both stores have on the whole been more associated with traditional upper-class taste than avant-garde experimentation, this speaks volumes about the directions they intend to take. It also shows they are keenly aware that the most cutting-edge stores, from Joseph (who as long as eight years ago dotted avant-garde furniture, jewellery, glass and ceramics among the frocks) to Nicole Farhi and Donna Karan, give little and individuality to their selling space by adding one-off, individual crafts and works of art.

At Thomas Goode, from June 18 to 20, every student from the Royal College's glass and ceramics department will have at least one design on show and many will have several. Few of the exhibition pieces will be for immediate sale, but similar designs can be commissioned on the spot. Student work no longer means cheap - prices will range from £45 to £300 for small perfume bottles or wine glasses or small vases, but for some of the big, one-off display pieces

the prices will be as high as £1,000 and more.

For Thomas Goode this is something of an exciting innovation. Though some modern pieces have always sat alongside the big establishment names of the world of tableware, the impression has almost overwhelmed by one of grand country-house style. Giving floor space to some of the students' work is seen as a way of introducing our customers to very contemporary work and to some very interesting pieces. After all, the students are our future and so we want to support them and we hope that from now on this will become an annual event."

At Asprey, the idea for

showing some of the students' work came from the antiques department.

The store has been aware for some time that it needed to freshen up its products and its image, and much serious thought and work is going on behind the scenes to address the problems - commissioning fine silversmiths to produce new works especially for the silversmiths department is just one of the steps it has taken.

It has also asked eight

first-year students from the Royal College to contribute

some of their own works,

which will bring even more of a cutting-edge to the

store.

The students involved are

engaged in a long-term

Royal College project, New

Domestic Silver, which is

aimed at encouraging stu-

dents to use precious metals

for innovative design for

domestic silver. The brief to

the silversmiths was that all

the pieces should be usable

(that is, no fancy ornaments

but beautifully wrought,

eminently practical bowls,

vases, candlesticks and the

like). Given the rather dire

pieces, the melancholy can-

delbra and over-elaborate

ornaments found in most

high street silversmiths, it

would be hard to over-est-

imate the importance of this

initiative.

Then we come to the

Royal College of Art itself.

Though the sculpture and

humanities departments

(covering architecture and

interiors, furniture, indus-

trial design, graphic design, film and television and lots more) can be seen at the Darwin Building from June 19 to 30.

Royal College of Art, Kensington Gore, London SW7 2EU. Asprey, 165-169 New Bond Street, London W1Y 0AR. Thomas Goode, 19 South Audley Street, London W1Y 6BN.

Howie Street, Battersea, London SW11) and the fine and applied arts show (Darwin Building, Kensington Gore, London SW7) have been and gone, and the fashion department has had its grand show at The Roundhouse in Camden, work from the design, communications and humanities departments (covering architecture and interiors, furniture, indus-

trial design, graphic design, film and television and lots more) can be seen at the Darwin Building from June 19 to 30.

Royal College of Art, Kensington Gore, London SW7 2EU. Asprey, 165-169 New Bond Street, London W1Y 0AR. Thomas Goode, 19 South Audley Street, London W1Y 6BN.

Howie Street, Battersea, London SW11) and the fine and applied arts show (Darwin Building, Kensington Gore, London SW7) have been and gone, and the fashion department has had its grand show at The Roundhouse in Camden, work from the design, communications and humanities departments (covering architecture and interiors, furniture, indus-

Throwing light on design

Lucia van der Post reports on an out-take from the Milan Furniture Fair

The Milan Furniture Fair is to the furniture industry what the Paris shows are to fashion - not only a showplace for the weird, wonderful, whacky and breathtakingly beautiful, it is also the place where designers and journalists gather to see what's new and coming and to exchange industry gossip.

Most years one of the highlights has been the big exhibition staged by two designers of international repute whose work, strangely enough, is difficult to see. This year, the two designers, British furniture designer Ron Arad and German lighting wizard Ingo Maurer, have got together and are putting on a show in London of some 100 of their pieces.

Ingo Maurer and Ron Arad, the one as renowned for his innovative and avant-garde lighting as the other is for his groundbreaking furniture, seem to have developed some kind of symbiotic friendship. As Arad puts it: "I claim the earth and he claims the sky and it seems to work."

Arad's contribution will consist mainly of an exploration of one design - a chair. If that sounds dull, let me assure you that it isn't. This chair has a widely curving back with a hole in the middle of it (see it photographed below).

The shape is then explored and developed in a series of different materials - it comes least expensively when it is made from vacu-

um-formed aluminium, a technique mainly used for making aeroplanes, and costs £200. (Arad fans will know that is about the cheapest thing ever to have come out of his studio, and that his pieces sell for thousands of pounds in auction rooms round the world.)

You have to approach an Arad design as something of an icon and this may make it less painful to pay the bill.

The chair can also be made by hand in glassfibre, carbon-fibre and spun aluminium. But Vitra, the chair specialists, will be making another version of the same chair which will sell for about £200.

Though the chairs are designed to stack, they are aimed at the domestic market and will clearly become the dining-chair that defines the late 1990s.

Infinitely flexible and the perfect answer to many (well-heeled) people's dining problems, is Arad's dining table in mirror-polished spun stainless steel which measures 112cm in diameter. This seats four to six people comfortably.

Arad suggests buying two - say, one for the kitchen and one for the dining-room - and then, come party-time, or an occasion when you want to give a big dinner-party, a very lightweight (12kg) carbon-fibre and paper top, measuring 6 metres long by 2 metres wide, is laid across the two tables.

You can then seat between 20 and 30 people, depending on the chairs used. The portable table-top is designed to hang on the wall when not in use (as Arad points out helpfully, "it saves on buying pictures").

The spun stainless steel

tables are £6,800 while the lightweight tops in varying sizes are from £3,450 to £35,500 (it seems carbon-fibre is more expensive than most precious metals).

Shown at the same time are Ingo Maurer's show-stopping lights - lights which few of us have seen. They range from the (relatively) inexpensive desk light with

lamp tea infuser for £290 and a little bulb with wing and white feathers, Lucellino, for £320, to one-off, sculptural pieces costing thousands.

The exhibition will be at 62 Chalk Farm Road, London NW1 from June 15 to July 4 (Monday to Friday, 11am-8pm; Saturday and Sunday from 12pm to 5pm).

Montpelier Street, London SW7 1EP. Tel: 0171 393 3900 Fax: 0171 393 3905 Internet: <http://www.Bonhams.com>

For a Free Auction Valuation, Tick the Box

£150

£3,450

£39,200

Exactly. How do you know which figure to choose? Getting an accurate valuation on your antiques or valuables can be a bit of a misnomer. This rare Staffordshire Creamware Teapot actually sold for £39,200, but its owner had been ready to accept the lower figure before we informed him of its real worth.

So how do you find out which price is correct? The answer is simple - call us and we will have one of our regional valuers contact you to provide free auction valuations. You could be pleasantly surprised.

For further details, please call Freephone: 0500 008 147

Montpelier Street, London SW7 1EP Tel: 0171 393 3900 Fax: 0171 393 3905 Internet: <http://www.Bonhams.com>

BONHAMS



Ingo Maurer's Hearts Attic light has a scattering of 48 glowing red plastic hearts and mirrors, each with an internal 12-volt light bulb. Special order only



Ron Arad's Pic chairs - a small series of 20 hand-made and unique chairs in fibreglass and polyester



Ron Arad's Carbo-Tom, an extra wide stacking chair with a polished stainless steel frame - a limited edition of 100 pieces

PROPERTY: FOCUS ON WEST LONDON



A world apart in the west

Gerald Cadogan continues his Thames river trip, heading upstream from Westminster Bridge

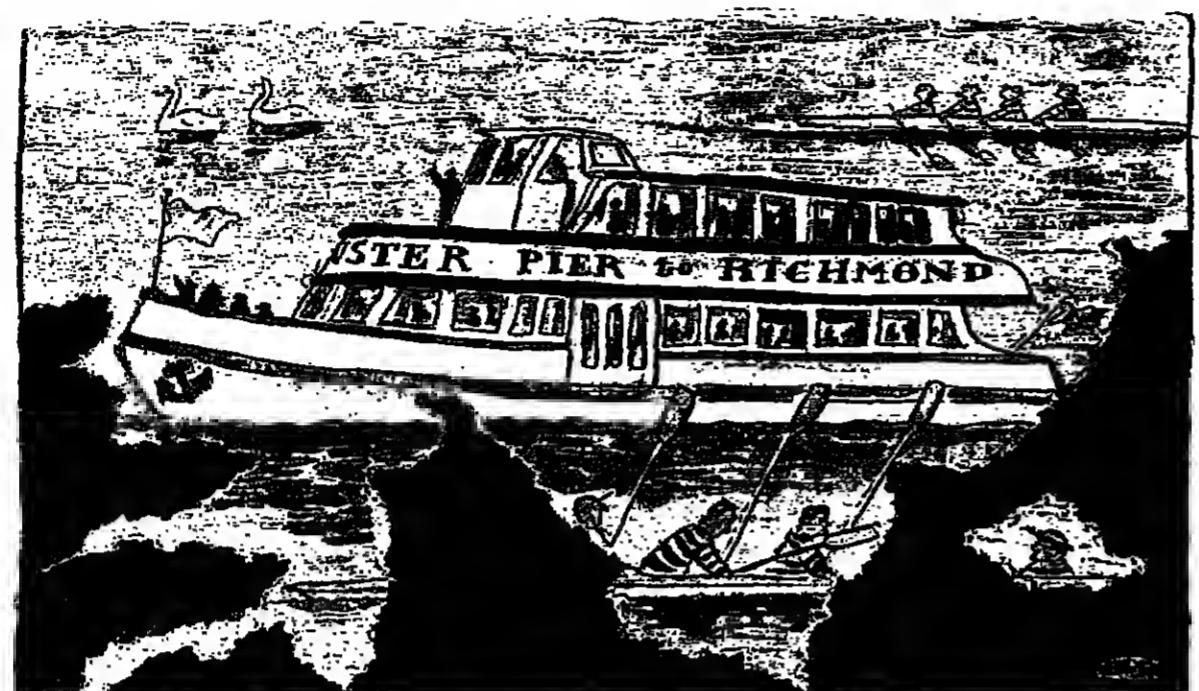
The river Thames gradually changes character as you voyage upstream. At Westminster it is an imposing watercourse, lined with public buildings - Parliament, the Tate Gallery, and Sir Christopher Wren's Chelsea Hospital (almshouse) for veterans to the north; County Hall, St Thomas's Hospital, and Lambeth Palace (base for the Archbishop of Canterbury) to the south.

After Wandsworth Bridge the scene changes. Hurlingham is the first of many parks and gardens that come down to the river's edge. Fringes of drooping willows lean over the bank and brush the foreshore.

Glimpses through the trees of the columns on the big house, now the Hurlingham Club, are the beginning of a slow goodbye to London. Thereafter, all the way to the Cotswolds, riverside country houses - Hurlingham was in the country when it was built in 1760 - enrich the view from the water.

Every spring, the four miles of Thames between Putney and Mortlake appear on television as the course of the Oxford and Cambridge Boat Race. Here, the river is wide and its banks relatively bare; it is easy to see how bleak it can turn in the spells of March.

At Chiswick, on the long "Surrey bend", the first eyot, or atl, appears. Both spellings are correct for the long, narrow banks of sand and shingle that form small islands in the river. It is an old English word which people have been using for these Thames islands



for more than 1,000 years.

Above Chiswick, the banks and the aits are crowded with fish-eating birds - the best possible proof that environmental measures to clean up the river are working. Returning fish include salmon and 114 other species, says the Environment Agency, and herons, cormorants, grebes and other birds have come to west London over the last five years to feed on them.

The first cormorant I saw on my river trip was at Wandsworth Bridge. The nature reserve on Isleworth Ait was crammed with herons, waiting like sticks in the water until their lunch swam past. One sat in a willow, motionless.

As far up as Teddington, where the tidal estuary finishes, the fry (baby fish) of flounder, sea bass and smelt are now being found, notes Steve Colclough, Area Fisheries Officer with the Environment Agency. They come from the North Sea to the lower Thames estuary and use the river as a big new nursery ground because of its good clean gravel, he says.

Constricting the river by building on the foreshore (as developers often want to do) will damage this great environmental success - and lead to flooding and sewage pollution by turning the river and its floodplain into a lifeless "scour and flow" channel. In London, the

Thames has little free space to spill on to, and the gravel foreshore is vital.

Boat trips leave Westminster Pier three times a day, taking two or three hours to reach Richmond, depending on the tide and how long it takes to pass the semi-tidal Richmond Lock (the first one meets going upstream). It is a dreamy journey on the Richmond stretch, and an ideal way to take a picnic to Kew Gardens.

Helped by the incoming tide, mine was a fast trip. As we left Westminster Pier, the tide was so brisk that the helmsman took the boat a long way downstream before turning, in case the force of the water pushed us up to Westminster Bridge.

Parliament made a glorious sight, as we emerged from under Westminster Bridge, with its striped awnings, half green and

white, half red and white, on the terrace above the river. Even here the buildings and wharves do not crowd the Thames as they do between the City and Southwark, where the river flows almost through a canyon.

As the heat chugs upstream on its river myl, the tide seems to lose its grip. Gardens and willows appear, birds and houseboats perch on the foreshore, and the original riverside villages - names such as Isleworth - come into view as far-off clusters of houses around an old church with, usually, a bridge and a pub. Many houses show their back to the water.

Now and again the helmsman sounds a deep hoot on the horn, a warning to a rowing eight, or four, or single scull, racing backwards towards our bow. The writer George Eliot, who used to row on the river, wrote of her spurned hero Daniel Deronda: "His old love of boating had reviving... he could nowhere else get the same still seclusion which the river gave him. He had a boat of his own at Putney."

At Richmond, the grass slopes and stone steps lining the river bring to mind the harsher riverside of London Bridge, to commemorate her destruction of the Roman conquerors' new city called Londinium. Archaeology suggests that she stopped right there, and did not cross over to sack Southwark as well.

It is a miracle there is still so much green space and so many trees on the river, and also "inland", in the parks and commons one sees from the elevated District Line railway returning to central London is a world apart.

It is a miracle there is still so much green space and so many trees on the river, and also "inland", in the parks and commons one sees from the elevated District Line railway returning to central London is a world apart.

The view from Sussex House, price £1.35m

On the market

New on the market is a grand early Georgian house, listed grade II*, on Upper Mall, W8, in Chiswick. Sussex House is very close to the river, near the apex of the long "Surrey bend" of the Oxford and Cambridge Boat Race (the apex belongs to the famous Dove pub). The entrance is through a door in the garden wall and upstairs there are views of the river. For £1.35m from Savills (0171-524 9016).

An alternative smart address at the east end of the Westminster-Richmond stretch is Regalians Peninsula Heights conversion on the Albert Embankment, Vauxhall, SE1. It is an office block on a bend in the river, with stunning views upstream and downstream. The last three flats (0171-384 1001) are selling flats in the Regent on the River, SW6, scheme on the north bank.

Among other riverside schemes, which should provide good views looking out over the Thames, Beaney Pearce offers flats in Albert Bridge House, SW11, priced between £495,000 and £2m, and at Richmond Bridge from £162,750 upwards.

Several agents, including Aylesford (0171-351 2383) and Hamptons (0171-384 1001), are selling flats in the Regent on the River, SW6, scheme on the north bank.

But my choice would be a one-bedroom third-floor flat in Embankment Gardens, SW3, a mansion block that looks over the river and the grounds of the Royal Hospital. John D Wood (0171-352 1484) asks £239,000 for a long lease.

Gerald Cadogan

LONDON PROPERTY

live in tomorrow's world today!
Millennium Harbour

London's most exciting and futuristic riverside development, designed to meet the living needs of the 21st Century.

Adjacent to Canary Wharf, Millennium Harbour is a six building water front complex offering a range of 1, 2 and 3 bedrooms luxury apartments in an extensive landscape gardens and all with river views. Designed by award winning architects CZWG, the exceptionally high specification includes 4,000sqft state of the art leisure complex, garage parking, full time concierge and computer controlled apartment management system.

PRICES FROM
£144,000 TO £625,000

6 Jersey Street, Winchester, Hampshire. Tel: 01962 869999

millennium
harbour

MANNEY & PARTNERS
RENTALS LIMITED

0171 613 3055

canary wharf, LONDON E14

<http://www.ballymore.co.uk>

COUNTRY PROPERTY

CARTER JONAS



WILTSHIRE

Wimborne 2 miles. Bath 19 miles. Salisbury 21 miles. London Paddington 1 hour 24 minutes from BR Westbury.

A superbly presented substantial Grade II listed period house of great character.

Three reception rooms, 7 bedrooms, 3 bathrooms, shower room, extensive kitchen quarters, office and large cellar. Extensive range of outbuildings. Planning consents for a large artist's studio and for the development of a two-bedroom cottage.

About 3 acres

London Office 0171 629 7154 or

Marlborough office 01672 514545

Lane Fox



HAMPSHIRE - FAREHAM

Portsmouth 9 miles. Southampton 11 miles. M27 3 miles.
AN ENCHANTING GRADE II COTTAGE ORNÉ well presented by its beautifully designed and well kept grounds.

Great Hall, 3 Reception Rooms, 9 Bedrooms, 5 Bathrooms. Useful range of Outbuildings with Gating, Woodland.

Estates Lodge, Gardener's Cottage.

ABOUT 7/8 ACRES (2.9 ha).

6 Jersey Street, Winchester, Hampshire. Tel: 01962 869999

INVESTMENT FOR SALE

AN AGRICULTURAL INVESTMENT ABOUT 200 ACRES

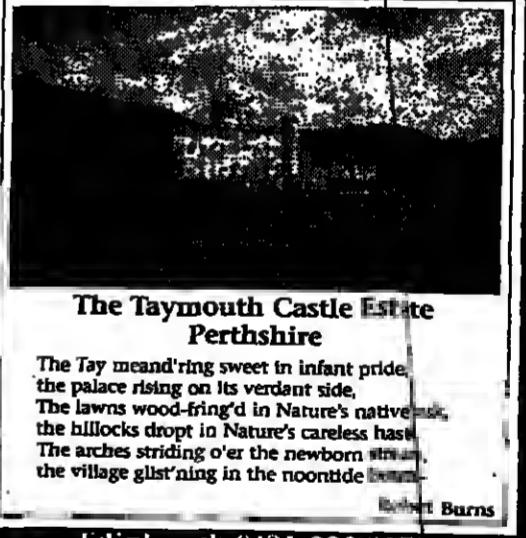
with Development Possibilities in Worcestershire

For Sale by Private Treaty

WARMINGTONS

Tel 01234 823661 (fax 822635)

Knight Frank INTERNATIONAL



The Taymouth Castle Estate Perthshire

The Tay meand'ring sweet in infant pride,
The palace rising on its verdant side.
The lawns wood-fring'd in Nature's native mask,
The hillocks drop in Nature's careless bairn.
The arches striding o'er the newborn stream,
The village glist'ning in the noon tide.

Robert Burns

Edinburgh 0131-225 8171
2 North Charlotte Street, Edinburgh EH2 4HR

SAVILLS

LOCKINGTON Leicestershire

Appleton 1 mile. Coalville 10 miles. Leicester 15 miles. East Midlands Airport 8 miles.

Situated on the edge of a rural village with access to quick consumer routes,

the property is set in formal gardens with mature trees and shrubs, including

an orchard.

Three bedroomed, 2 reception room

house plus conservatory, garage and

outbuildings.

Double garage.

£325,000

Savills, Nottingham 0115 955 1122

TO LET Delightful Period Former Mill

House in the Cotswolds. Built 8 km (5

miles) 4 bedrooms, 2 bathrooms, 3

reception rooms. Freehold. Rent: ex-

cess of £1,000 per month. Contact: Savills

(01285 855355)

KENT: London 80 miles. Large ground

floor flat in listed country house, fully

modernised. Own patio. Accessible, near

residential, secure. £36,000. Tel: 01304

550062

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

national home search service

Tel: 01333 238899 Fax: 01333 238899

1116 COUNTRY HOMES Personal

LONDON PROPERTY

FOR SALE
Victorian Cottage in Thames Ditton, next to River Thames and Marina, secluded garden. 15 minutes walk to main line station. Call for further details 0181 398 5009

LUXURY APARTMENT - LONDON
Center of Financial District, EC1 Cathedral View and private gardens
Tel: U.K. +44 (0) 143871 4070
Tel: Hong Kong (+852) 9380 4471

COUNTRY PROPERTY

Sussex
Newick Village
Architect designed, split levels.
6 beds, 6 recep, office, Indoor pool complex, set privately in 13 acres.
Mainline 7 mls, Garwick 30 mins.
Schools £650k.
Tel: 01825 722792

Worldwide Residential Property Supplement
on Saturday, July 28
Contact the Property Team:
Developers
Jon Banks
+44 171 873 4744
London
Charles Whitewood
+44 171 873 4332
Spencer Davis
+44 171 873 3591
International
Carole Hills
+44 171 873 4474
Country
Tina McGorman
+44 171 873 3252

5PM

W H A R F

Weekend FT

ZIGGURAT
SAFFRON HILL, CLERKENWELL, EC1

**A fusion of classic style,
impeccable specification, and
prime location.**

**Loft apartments
up to 1,250 square feet
£115,000 - £265,000**

A masterpiece of 1930's Industrial Art Deco design, the Ziggurat on Saffron Hill has been transformed to provide a superb development of large loft apartments.

Each loft has been fitted to the highest specification including kitchen, bathroom, solid wood strip flooring, lighting and heating.

Internally the column based lofts are left without the limitation of partition walls, enabling the freedom of open plan living, or easy sub-division according to personal needs.

40 lofts sold
in just two weekends
last 15 now available!

For advance details call Brochureline till 8pm tonight
0171 613 3055

THE SWANSEA
BUILDING
COMPLEX
warehouse
style
apartments
wick, London W4
Phase Launch
Prices:
000 - £850,000
Sales office:
181-987 9300

FINAL PHASE
LICH WEEKEND
1ST & 22ND JUNE

INTERNATIONAL PROPERTY

AYLESFORD

SUBAGERS, VALUERS, ESTATE AGENTS & RESIDENTIAL LETTING

Tel: 0171 727 6663

**FERADA ASSOCIATES
LIMITED**
Selected quality flats & houses of all
sizes to rent in Central London.
Two week to two years.
We serve you best.
Tel: 0171 499 7822
Fax: 0171 493 3415

HOLLAND PARK Exquisite 5 bed. bath, apartment. Garden. Separable bed flat. S/Freeshold £735,000. Tel 0171 221 9044

INTERNATIONAL PROPERTY

VIENNA 18
Superb Villa in prime position
Andrea Palladio Style Garden 2200 m²
USD 3,9M
Contact: Mr K. Schwarz,
Klostergasse 167, 1180 Wien
Tel. 711-5242, 1-422262

Phone: 0039-1-4792345

CANNES MARINA.
Lovely 2-room waterfront flat (60°)
£110,000.

Coast & Country, the English Estate Agents on the French Riviera
+33 (0) 4 9375 3107.
Web site:
www.mougins.com

ITALY
LAKE COMO. 3 BED AP.
stunning views, balcony, terrace, pool, tennis, furnished
£150,000 for quick sale.

Lake Maggiore. Restored 18th century villa, 3 beds, well situated for airport, skiing & lake. £155,000. 18th villa with boat mooring & frescoed ballroom. 4 beds, lake view & roof terrace. £245,000.

Liguria. Top floor of house to restore. 2 beds. £25,000 plus much more.

CASA TRAVELLA
01322 660988
Fax: 667206

Member of EORPAC

For sale to foreigners in Switzerland
LUXURIOUS CHALET
situated in the Swiss ski resort of Villars-sur-Ollon (1 1/4 hrs from Geneva Airport) Indoor swimming pool & sauna, 5 bedrooms, 4 bathrooms, double living room with fireplace, dining room with fireplace & fully equipped large kitchen. Guest WC. Independent studio with bathroom. 50m² terrace facing south.
Large garden and garden house. Double garage.
Price: US\$ 1'150'000.-
For further information, pls call Roben in Geneva Switzerland nr 0041 22 319 0306 or 0303, or Fax 0041 22 718 2694

LAKE GENEVA

OWNER sells

PROPERTY: FOCUS ON WEST LONDON



Sloanes' old haunt is now a prime location

Anne Spackman looks at a part of west London that has gone from good to better

According to that hibible of 1980s social etiquette, the Sloane Ranger Handbook, the only acceptable places to live in London 10 years ago were SW3, SW1, SW7, SW10, SW6 and SW5 "in that order".

Fulham (SW6) was the place for those who aspired to, but could not afford, Knightsbridge, Kensington and Chelsea. Its social hub was The White Horse pub on Parsons Green, then known as the Sloaney Pony.

In property terms, Fulham epitomised the Sloane movement. Small flats in converted Victorian cottages were turned into mini-country houses, with frilled pelmets and chintz curtains at every window.

There are still a few ruched blinds to be found in the drawing rooms of Fulham, but the area has grown up. The generation of youngsters who aspired to the country-house look have either graduated to a family house or rejoined their former neighbours in the new Sloane enclave across the river Thames in Wandsworth.

Meanwhile, the new generation of 20-somethings has started casting an eye at some of the 1990s' trendier

locations. Some have moved south to developments such as Sapote's loft schemes in Battersea and Kennington. Others have gone east.

On the south side of Tower Bridge, around Butler's Wharf, some first and second-time buyers who would previously have bought period properties in west London are buying modern flats in new developments such as Jacob's Island. They are rejecting small rooms

"Two things make Fulham families sell up: the gardens and parking

and parking problems in a traditional residential west London neighbourhood for big spaces and river views in an urban location.

Peter Sloane of Knight Frank in Docklands says they generally want the converted warehouse look rather than something brand new. "They feel more comfortable with some quaintness - a few cobbles and old buildings," he says.

"Wapping is popular and

Butler's Wharf has the added attraction of Conran's restaurants on the river. The international set are more likely to go for the modern buildings on the Isle of Dogs.

One English woman who has made the bold transition from Chelsea to Docklands is Anna Tatham. Aged 70, she is not a typical Docklands resident. But she was lured east by the same attractions as the youngsters.

"I have lived abroad for much of my life because my husband was an airline pilot. When I was widowed 10 years ago I expected to spend the rest of my days in Kensington and Chelsea. A wonderful friend said, if you are going to spend your life looking out of the window, you might as well be looking at the River Thames.

"I was living in Chelsea at the time. I had to pay £2,000 a year in garage costs in order to avoid having my car vandalised on the King's Road. I sold my one-bedroom flat immediately and bought a two-bedroom flat with a porter and parking for far less money.

"Here you have space and newness. It's quite fabulous. Life on the river never stops. There is 24-hour portage and it is tremendously secure.

Two years ago, family

"When I told my daughter, who spent two years in the jungle in Brazil, that I was going to live in Docklands, she said you can't possibly do that." None of my friends knew where it was. Now several of them say they could live here. I say - what's stopping you?"

Back in Fulham there is still a buoyant flat scene, but the area has become too expensive for many young people. Those who still prefer west London are moving across the river to Battersea and Clapham. Their places are being taken by more overseas buyers.

Lindsay Cuthill of Savills in Fulham has sold houses to three sets of Spanish bankers this year. Matthew Harrop, of John D Wood, has sold to French and Italian families moving in to the Peterborough Estate, Fulham's most desirable neighbourhood.

"The Peterborough Estate is a phenomenon on its own. Two years ago I would have had more than 30 houses on the market at any one time.

Now, in 10 streets with 70 houses in each, there is hardly anything for sale."

Two problems do make Fulham families sell up: one

is the size of the gardens. Eighty per cent of Savills' buyers arrive with one small baby and leave five years later with two children, either for Wandsworth or the country.

The other problem is parking. The local authority has introduced a residents' parking scheme to stop people parking in streets near the underground stations all day. "The scheme has made a tremendous difference during the day," says Matthew Harrop, "but at night things are still pretty difficult."

One project currently under construction may offer a property solution to those who do not want to leave their Fulham friends behind, but who crave a loft rather than a small terraced house. Try Homes are converting the Piper building on the river in Fulham into large loft apartments.

For those who can live with its concrete construction and a longish walk to the underground station, it makes a property fashion statement without the need to boldly go to Docklands.

LONDON PROPERTY



MOUNT VERNON QUITE ABOVE THE ORDINARY

The spectacular new show apartment at Mount Vernon is unlike anything you have ever seen. Set in a newly-built cascade of buildings, it has materials, furnishings and fittings to match its palatial dimensions. The development is set within three acres of secure, landscaped gardens, and looks out towards a

spectacular panorama of London, from Canary Wharf to the Thames Valley. Situated in the heart of Hampstead Village, only moments from the High Street, Mount Vernon also has a private health club, swimming pool and underground parking. Please call our sales office to make an appointment to view.

APARTMENTS FROM £500,000 - £3,000,000

A joint development between

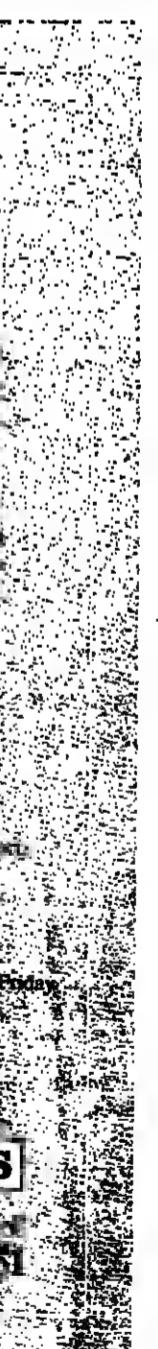
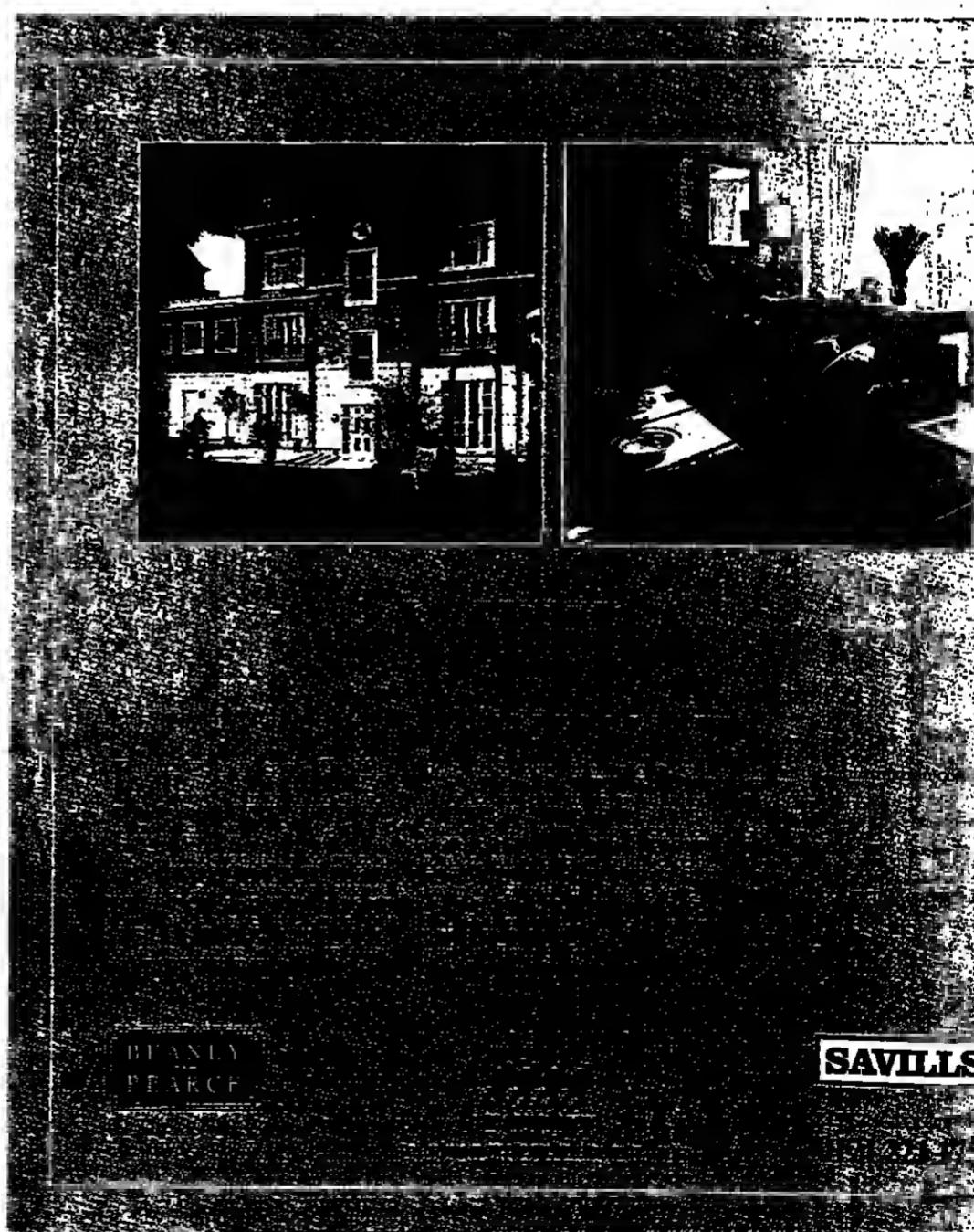
Marylebone
Warwick
Balfour

SINCERE

Sales Office
0171-431 2121

Sole Agents
Knight
Frank
INTERNATIONAL
0171-431 8686

MOUNT VERNON, FROGNAL RISE, HAMPSTEAD VILLAGE, LONDON NW3



INTERNATIONAL PROPERTY

ENJOY THE SECURITY OF YOUR OWN PIECE OF THE AMERICAN WEST FROM AS LITTLE AS £48 PER MONTH

Our properties enjoy breathtaking views from mountain peaks and valley areas, overlooking lush deserts, peaceful groves and snow-capped mountains. Each property is fully equipped with all the facilities you would expect in the desert. City of Denver, NM, USA. (area pop. 200,000) offers unique investment opportunities for Americans who are looking to the future. Contact us for details. Tucson, Albuquerque, Las Cruces and El Paso.

Tel Int 4-44 (UK) 0181 906 0515 (Mornings/Evenings/Weekends up to 8pm)

LENNARDS PROPERTIES INTERNATIONAL

Guernsey

For all your property requirements, call or fax for our free property guide.

Tel 01481 714445
Fax 01481 713911

SHIELDS & CO. LTD.
10, Newgate Street, London EC2P 2BS
Tel 0171-222 1544 Fax 0171-682 3033 e-mail: shields@msn.com

COSTA OIL SOL PROPERTIES
Marbella Office. For Information & Price listing 0181 903 5751 anytime. Fax 3059

TUSCANY INSIDE OUT - Property specialists in everything old and beautiful. Contact Diana Levitt Moore. Licensed Agent. Tel/Fax: +39 578 26 55 67 E-mail: levittmoore@ibc24.it

FRENCH HOME - Dentelles Gorges - Southern France, beside a large lake. 2-5 bedroom houses, from £75,000. Direct Holder: 0191 369 9828

SOTOGRANDE. August availability due to incorporation. Magnificent view front the apartment, 4 bedrooms, 3 bathrooms, sleep 7. £4,000 per week. Tel: (Ireland) 353 662 3512 for immediate response.

TUSCANY
Buonoconvento -
25 km South of Siena
4 houses for sale from firm building restoration. Large pool, private gardens, stunning views.

Tel/Fax 0039 577 806337 (English)

SPAIN

Costa Blanca - Javea 80M. Delightful, secluded hilltop property in traditional Spanish setting. La Sella Golf Course, Master Bedroom Suite, Kitchen and Study/Bathroom. Self Contained, Guest Wing with 2 Bedrooms, Kitchen and Shower Room.

Lovely grounds of 1.2 ha (2.9 ac) with swimming pool. Price region £300,000.

Apartment 0131 220 2561
Telephone 0131 220 1454
Fax 0131 220 1454

Need a pied-à-terre in New York?

Show my handsome one bedroom, furnished condo up to six (non-continuous) months a year. Famous landmark building, with 24-hour security. Taxes & taxes at door. Walk to restaurants, fine food stores, Lincoln Center. £3000 US per month.

Tel or Fax: 212-580-7965

BARGAIN SHOT (N. CANNES) Large 7 bedroom house. 1/2 Acre garden + pool. 2.86 m. P. Coas and Country, the English Garden. Apartment on the French Riviera. £33 (01673) 53107

TRAVEL

Spires and Spirits Unchanged essence of a nation

Adam Hopkins returns to Winchester, scene of his boyhood education, and is pleasantly surprised

I did not need a pop song to tell me about Winchester Cathedral. I spent my teenage years in its deep shadow and this, for me, remains the ar-cathedral, the essence of the medieval matter.

What should I care that the tower is stumpy, and the dull exterior too long for its height, like an unwieldy barn? The close is glorious, tender with lawn and ancient buildings, wisteria abundant over medieval gateways.

The cathedral interior is even more evocative – that long nave eloquent in Perpendicular, the Norman transepts chunky, almost chubby, the steps up to the retrochoir worn down by pilgrims to the tomb of St Swithun, once tucked round behind, the monuments to Jane Austen and Isaac Walton suggesting an English peace and plenty, and the four chantry chapels, sweeping floor to ceiling – three of them at least – firmly in place to make you think of death, and masses for the dead, intended to be said or sung in perpetuity.

All that was in the bag before I went. Nothing could have altered it, although one small effort has been made via the icy-looking refurbish-

ment of the west front.

But what I dreaded most was that the city where I want (reluctantly) to

boarding school and to

which I have (until now)

declined to return, would in

the meantime have developed a bad case of the Cottswolds. Would Winchester be

immense trees (much of it open to guided visits, and with public access to many of the sports fields).

There are other schools, an art college, a university institution. Thank goodness for all that and for a few rough edges that survive among domestic buildings.

No time, you feel, to manicure it all in the manner of Bourton-on-the-Water.

There is, of course, a Little

England version of Winches-

ter. This stars King Alfred,

who lived locally, and the

Great Hall (a big draw for

visitors, thanks to King

Arthur's Table, a medieval

affair to a end wall).

Keats is part of it; he wrote the *Ode to Autumn* there,

after walking in the water meadows, meantime surveying the stubble on the hills around. And the new cathedral refectory serves only British food: "That's the

butchers' shops and small tobacconists have gone (some to the City Museum, straight from utility to heritage) and have been by and large, replaced by smart little clothes shops and delicatessens, by banks and building societies. That, I suppose, is normal for a country which has failed to preserve its ancient city centres half so well as Spain or Italy.

But although there are cer-

tainly some tourists dawdling

here among the shops in

springtime – me for one –

and a mass; apparently, in

summer, real people on real

business still stride up and

down with purpose.

And well they might. For

the Winchester I visited with

such angst and perturbation,

turning hour by hour to

pleasure, even to delight,

remains a proper place. It is

not merely – as it always

was – the focus of the Ham-

shire gentry, but a little city

with county council offices

and important law courts.

The military retain a pres-

ence; my own Winchester

College still exists, quite

busily, it seems, with chapel,

cloisters, courtyards, cricket

pitches bordered by

some broken eggs; subse-

quently, he accomplished a

great many more reversals

of the natural order.

Even more important,

although I speak as an

agnostic, was that over-arch-

ing medieval version of the

European Union expressed

through an all-embracing

Roman Catholicism. Henry

VIII spoiled it for Winchester

when he destroyed the

shrine of St Swithun in 1538.

Philip of Spain tried to

repair the damage by mar-

rying our very own Bloody

Mary here in the cathedral –

fat lot of good it did them, or

anybody else. But at least

the international theme was

struck again. You can find it

also, if you care to, in impe-
rial form, among the battle
honours in the city's multi-
ple military museums.

As for my own experience,
Iraqi friends invited me to
lunch, in Baghdad style, on
the day of my arrival. My
waitress in the Royal Hotel
was Basque, the manager of
the Guildhall Tavern (excellent
steak and kidney pies, with proper suet) comes from distant Nottingham.

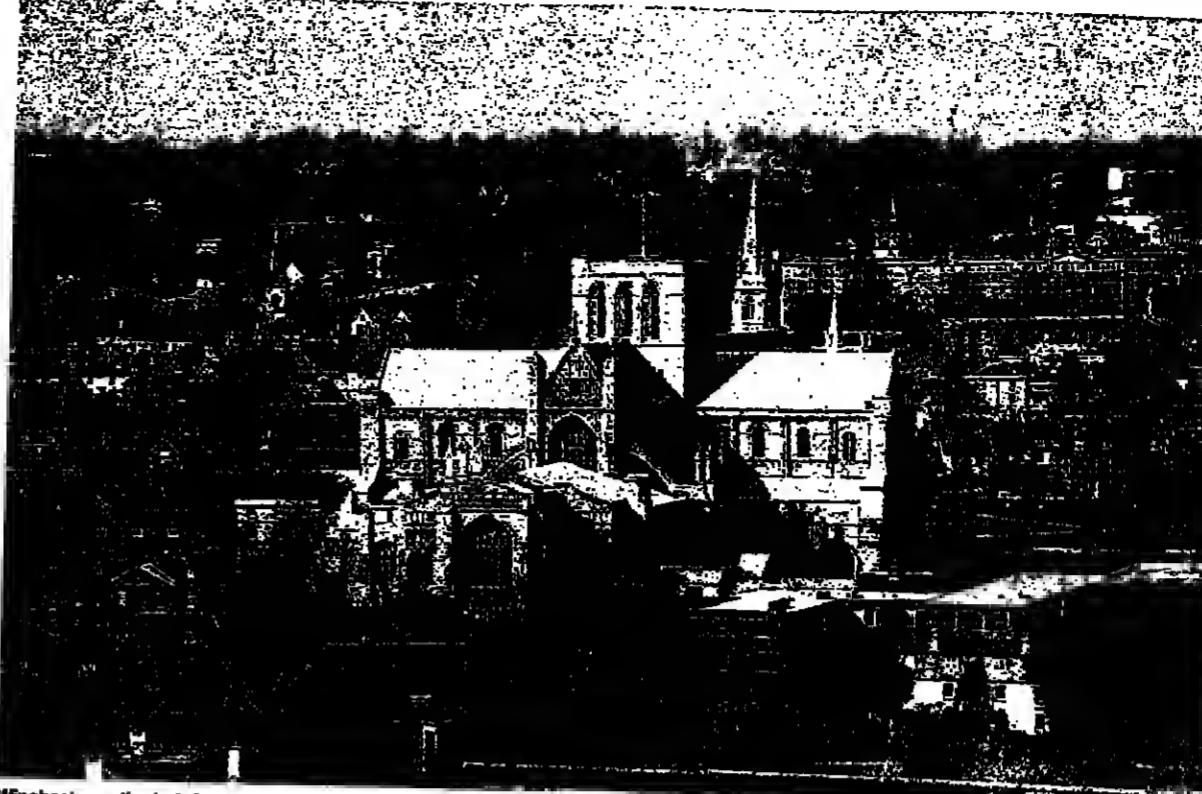
I liked all that and was
pleased to discover that
the city is planning a grand
set of international seminars
for the millennium, to
express exactly this view of
itself. But I have to admit
that my best bit of all tended
towards the Little England

version.

It took the form of a final
stroll through Keats's water-
meadows, past the college
playing fields (memories of
cornflowers in our lapses on
the day of the Ston cricket
match), moorhens bobbing,
ducks ducking, willows and
watery allsorts coming into
leaf in every shade of green,
and finally the grand old
almshouse-hospital of St
Cross with its huge and
splendid, mostly Norman
church.

"Have things changed
much?" I asked the gate-
keeper, accepting my way-
farer's dole of bread and
beer.

"Not much," he said. "Not
so you'd notice. Not in 800
years."



Winchester cathedral: 'The deeper you go, the more forcefully alternative Winchester will strike you'

Robert Harding Picture Library



AIRPORT PROOF

A soft day and a boggy walk

Using your way in a peat bog can be a messy business.

Suddenly there were no more footpath markers, just the ominous sound of water gurgling, unseen and treacherous, beneath the marshy grass. A couple of tentative steps were enough to convince us we could proceed no further.

Dilemma: how to reach the village of Bweeng in time for that Irish *sine qua non*, a lunchtime glass of stout?

Maps do not warn of such hazards. The previous day we had hiked a stretch of the Beara Way, in south-west County Kerry, which runs for just over 122 miles around the peninsula of the same name. It was soggy underfoot there, too, but negotiable. And, although I would not recommend trying to follow them in a mist without a compass, there were regular signposts.

In terms of gradient, the Aonachan Way looked comparatively gentle. The section we decided to walk linked two quiet country roads in the east of County Cork, running across the Beara Mountains. With an Ordnance Survey map to guide us it could not have appeared more straightforward. This was what the Irish call a soft day.

In what the map called Mossy Bed, the only signs of exploitation were commercial. Peat lay about in plastic bags, waiting to be carted off, like shrouded bodies in the silent aftermath of some ragged moorland battle. But it wasn't wild-haired warriors that defeated us, nor even, as so often happens, a wire erected by a farmer. It was just a bumble tributary

of the river Caher. Mighty disgruntled, we made a long detour.

It is true what they say hereabouts, that a day in the bog is as effective as sea air for leaving you ravenous. Not even a heroic breakfast at the Hayfield Manor hotel in Cork was enough to stay the pangs. But with our midday goal, the pub at Bweeng, receding as if a mirage, we were forced, eventually, to return to the car and drive elsewhere.

In Ireland, it is impossible to stay grumpy for long. The publicans made cheese and tomato sandwiches and the sun emerged. We decided to reconstruct the day by digging into another section of the Aonachan Way, a little further east, where it follows narrow roads. This was a delightful stretch and plainly marked. For several miles we wandered by the river Clyda, its surface starred with crowfoot.

Normally you try to stay off roads but most of those in Ireland barely merit the description. The only traffic we saw all afternoon was a delivery van, trailed by a yapping dog. Horses grazed the verges, unshod. A heron rose from the river bank. The mysteries of the dark bog seemed far away.

Roger Bray flew to Cork with Aer Lingus – lowest return fare from next month is £29. He rented a car through Avis – summer rates range from £136 to £148 Irish punt per day plus tax. He stayed at Hayfield Manor (00 35 8 21 315600), Cork, where a double room with breakfast costs £150 a night (£130 at the corporate rate). The Irish Tourist Board is on 0171-493 3201.

Roger Bray



Samsonite
WORLD PROOF

FOOD AND DRINK

Over two balmy days last month in Bordeaux, while the region's chateau owners agonised over how steep a price rise they could get away with for their fledgling 1996s, 22 wine authorities congregated from all over Europe to identify the world's finest Chardonnay.

This may have been a tactless reason to visit the home of Cabernet Sauvignon but it made a fascinating tasting. The Grand Jury Européenne had been recruited from all over the continent but was dominated by the French, including Michel Bettane, Michel Dovaz and the rest of the *Revue du Vin de France* crowd. Few could take issue with the competence of the tasters, nor with our prejudices. We were told the identity of the wines only after our notes and scores had been collected.

We tasted in three separate, blissfully well-organised sessions the 1994, 1992 and 1990 vintages of 28 of the most famous white wines of the world, from producers nominated by the jurists. We had Montrachets and Corton-Charlemagnes coming out of our ears, as well as some of their

most celebrated replicas from outside Burgundy – eight from outside France.

Beforehand, these eight looked more like an amusing sideshow than serious contenders. Once the points were added up, however, it was a different story. The accompanying table is a summation of our ranking of the wines over the three vintages.

Although based on only three vintages, the ranking suggests all sorts of interesting hypotheses:

□ The German-speaking world may have a way to go with Chardonnay (although I have been much impressed by an Austrian Tuglott bottling from Veltlin).

□ The cool, unwooded, often downright wet woolly flavours of young Chablis produced in the coolest part of Burgundy are not flattered by comparison with riper, oakier Chardonnays.

These are wines that demand to be aged for at least 10 years –

unlike the much more expensive produce of the Côte d'Or to the south. It was obvious, incidentally, which wines were the Chablis, but we could not bring ourselves to mark them very highly at this stage.)

□ The merchants (Drouhin, Bouchar, Olivier Leflaive, Chartron et Trehucher Louis Latour and Jadot) performed at least as well as the domaines overall – although in the most successful cases they either own or manage the relevant vineyard themselves.

The newly recapitalised Bouchar Père et Fils, now owned by Joseph Henriot, who once commanded Veuve Clicquot champagne, were particularly thrilled by their Chevalier's performance. "If we had submitted our Montrachet we would surely have won," I was told last week.

□ Burgundy's careful ranking of vineyards into Grands Crus, Pre-

miers Crus and simple Village wines is not a reliable guide to wine quality (but then we knew that already).

The most admired white burgundy was merely a Premier Cru while there were more Grands Crus in the bottom half of our ranking than the top.

□ Finally, crudely, the New World can more than hold its own against the Old. The Australian wines did taste quite obviously Australian to me, but – or perhaps it should be *and* – we marked them quite highly.

I certainly did not pick out the Mondavi wines as obviously Californian, although the 1994 is still quite oaky and all three packed a punch.

This was the third such event organised by wine software specialist François Mauss. The first elevated Château Sociando-Mallet, a lowly Cru Bourgeois, to top place in a ranking of 1990 Caber-

THE GRAND JURY'S RANKING

Robert Mondavi Chardonnay Reserve, California
Mélasses Chardonnay Domaine Leflaive, Burgundy
Montrachet, Marquis de Liquidier, Chablis, Burgundy
Chevalier Montrachet, Bouchard Père et Fils, Burgundy
"Old" Bois Chardonnay, Italy
Montalcino Chardonnay, Italy
Meunier-Pétridie, Domaine Coche-Dury, Burgundy
Sauvignon Blanc Montrachet, Oliver Leflaive, Burgundy
Mimandre Chardonnay, Tormes, Spain
Nuits-St-Georges, Domaine Clos de l'Arlo, Burgundy
Pouilly-Montrachet Combettes, Domaine Saussat, Burgundy
Pouilly-Montrachet Fuchs, Domaine Leflaive, Burgundy
Montrachet, Domaine Prieur, Burgundy
Pouilly-Fuissé, Domaine Griffes-Heynen, southern Burgundy
Pouilly-Fuissé, Domaine Valente, southern Burgundy
Pouilly-Montrachet Clos du Cailleret, Chartron et Treuchet, Burgundy
Clos du Cailleret, Louis Latour, Burgundy
Clos des Montrachet Les Dominoes, Jadot, Burgundy
Chevalier, Gérard Arduché, Louis Latour, south-east France
Givry-Givry Montrachet Celliers, Domaine Jean-Marc Morey, Burgundy
Corton-Charlemagne, Domaine Lachica, northern Burgundy
Pouilly-Fuissé, Domaine Bourreau du Merle, Burgundy
Pouilly-Fuissé, Domaine Leflaive, Burgundy

Footnote: Gaja's Italian Chardonnay Gaja e Rey was also tasted and performed well but the 1992 vintage failed to reach Bordeaux.
■ Robert Mondavi Chardonnay Reserve 1994 is about £22.50 from La Vigneranne of London SW1.
Bennets of Chipping Campden and Holland Park Wine Co of London will Drouhin's Marquis de Laguiche 1994, incidentally, costs about £45 from La Vigneranne and Bennets. Best value for me by far was Louis Latour's

Grand Ardeche (streets ahead of the regular bottling) which seems to age surprisingly well. The 1995 is currently on sale at The Vintner, Seaford at £19.95 and Majestic at £19.95 at just £7.95. Oddbins has the 1994 at £19.95; an excellent

1995 Pouilly Fuissé well worth £14.99 from Roger Lescar; and the quite stunningly delicious, and very obviously Californian, Landmark Overlook 1995, a Sonoma Chardonnay made by the great Helen Turley for just £1.95.

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

MOTORING

It was love at first sight for the young trendies of Tokyo and Osaka when Honda introduced its all-wheel driven CR-V sports utility 4x4 to the Japanese home market a year ago.

In the main, they wanted a car that would be easy to drive and park in crowded city streets during the week. But it also had to carry them and their skis, mountain bikes or watersports equipment to the snows or sands at the weekend. And this was the whole point of Honda's CR-V (compact recreational vehicle).

More than 100,000 of them were sold in the first year. The Americans fell for it, too, buying 9,000 in the first month after US sales began.

Honda's ambitions for Britain are less ambitious: 2,000 in the second half of this year and 3,000 in 1998. So long as there is no decline in the fashion for using sporty, high-slung, all-wheel-driven vehicles as car substitutes, the sales target looks modest because the

CR-V is the best thing of its kind to have appeared so far.

Honda is not making a pitch for a share of the big, but on/off-road market. As the company puts it: "The CR-V does not compete with serious off-road machines like the Land Rover Discovery. It is a grass and gravel car, not one for ploughing into axle-deep mud" - thus acknowledging that many owners will never venture off the highway.

The CR-V is the latest entrant in a growing niche market. Its main rival is the Toyota RAV4 with the Kia Sportage, which deserves to be known better, in a supporting role. In the pipeline are the Daihatsu Terios (due in Britain by August), the Subaru Forester (in the autumn) and the Land Rover

Freelander (which is due early next year).

Like the best-selling RAV4, the CR-V does not have two sets of gears, one for road use and the other for tackling the rough stuff.

For the time being, all CR-Vs are four-speed automatics, although five-speed manuals will appear before the year's end. Cleverly, the automatic transmission not only assesses a driver's style and fixes change-up points accordingly, but also shifts down when it detects a need for engine braking on hills.

The main difference between the RAV4 and CR-V is that the Toyota has permanent all-wheel drive whereas only the Honda's front wheels are driven until the tyres start to lose grip. Power is then progressively

put through to the rear wheels to maximise traction. The CR-V is not Honda's first attempt at such a vehicle. More than 10 years ago, it produced a selectable, four-wheel-driven version of

the Shuttle, a lofty estate car that was a precursor of Renault's immensely successful Megane Scenic.

This simple, all-wheel drive system made it remarkably nimble off-road.

I once drove one on a rough test track where several ineptly-handled Range Rovers had got stuck. The Shuttle flew round, although thuds and bangs from underneath showed the exhaust system and bumpers were hitting the ground.

This should not happen with a CR-V. It has the clearances - and the sought-after high driving position - of a proper off-roader but the manners of a conventional family car.

When Honda invited me to sample one in the New Forest, I thought there might be some mild off-roading to prove it worked in conditions that would defeat ordinary cars. But no. All the driving was on-road and the CR-V - with its 126 horsepower, two-litre, multi-valve

petrol engine and slick transmission - was as willing as it was refined.

It hummed along the M27 motorway, keeping up with business drivers in their BMWs and Jaguars. In mid-forest, or roads now (thankfully) limited to 40 mph (64 kmh), the all-independent, double wishbone suspension gave it a smoothly buoyant ride.

Commanding all-round vision helped when driving in heavy traffic and when parking, too. The lock is tight and the power-assisted steering effortless. Average fuel consumption will be about 28 mpg (10.1 l/100km).

The interior is genuinely spacious for up to four full-sized adults, and will take five at a pinch. Load space is similar to a compact estate

car, except that the higher roof-line allows bulkier things to be carried.

There are some ingenious life-style features. They include a waterproof underfloor compartment for wet suits and swimwear, and an optional extra shower attachment ideal for washing the sand off children before going home from the beach - provided you remember to take a jerrycan full of water.

Pricing of the CR-V, which went on sale in Britain this week, is keenly competitive. The LS costs £16,995 on the road; it has ABS brakes, twin airbags, remote controlled central locking with engine immobiliser, a tilt-adjustable steering wheel, and power-operated windows, sunroof and exterior mirrors.

The £17,995 ES also has air-conditioning, alloy wheels, headlamp washers, a good radio/tape player and 50/50 split rear seat. A five-door RAV4 equipped to CR-V ES standards costs nearly £1,000 more.



Honda's CR-V... good for the city and fine for the outdoors

Road test / Stuart Marshall

Honda's treat for the trendies

Goodwood's lawns are to be graced by the most historic and valuable collection of cars ever to gather in one place, writes John Griffiths

When he wakes and gazes from the window of Goodwood House next weekend, Charles, Earl of March and Kinvara, will still have difficulty believing the evidence of his eyes.

Gathered on the elegant lawns surrounding the house, with the estate's further 12,000 Sussex acres stretching to the downs beyond, will be what is almost certainly the most historic and valuable collection of cars ever gathered in one place.

Their assembly at Goodwood for the youthful Earl's "festival of speed" has left empty some of the most hallowed spaces in the motor museums of the world.

It has also, in only the festival's fourth year, left even the most ardent motor industry spin doctors - as well as the Earl himself - bemused at the speed with which motoring's equivalent of Royal Ascot has been created.

From Mercedes-Benz's museum in Stuttgart has come the pre-war W125 Grand Prix car, reaper of 27 victories, and Juan Manuel Fangio's version of the Mille Miglia-winning 300SLR.

Andi and the Deutsche Museum, Munich, have sent possibly the most fearsome Grand Prix racing car ever built: the mid-engined, 520-horsepower Auto Union V16 which more than 60 years ago, on skinny tyres and with token brakes, was capable of reaching 200mph and bumbling the finest from the rest of a Europe already falling under the shadow of *der Führer*.

There will be the definitive display of Ferraris in this, the marque's 50th anniversary year. A legion of Cosworth-powered Formula One cars will power their way up the hill in front of Goodwood House in celebration of the Ford Cosworth engine's own Grand Prix 30th anniversary. XJD 606, the D-Type Jaguar which scored the last of Jaguar's hat trick of victories at Le Mans in 1957, will be out, as will a gaggle of equally illustrious Maseratis, Alfa-Romeos and Bentleys.

Collectively, the several hundred cars and motorcycles are worth not tens of millions but hundreds. Some, like the Auto Union, are priceless.

Even the normally impermeable Ron Dennis, head of the McLaren international Formula One Grand Prix racing team, is slightly awed: "I'm sure there has

never been such an amazing array of cars from throughout the world in one place," he says. One of his own Grand Prix cars, of course, is not to be left out.

The festival, however, is not all about speed.

As part of the 42-year-old Earl's pursuit of an atmosphere combining motor race with garden party, another 50 cars, no less valuable than their swifter counterparts, are to be assembled for Carter's "Style et Luxe"

- a competition for pre-1940s automotive design backed by the fashion and design house.

With a judging panel led

last year by Royal Academy president Sir Philip Dowson and Arts Council chairman the Earl of Gowrie, and which this year includes architect Sir Michael Hopkins, the concours display

has little in common with the local car club version.

But it is not only the cars

that are the stars. This is a living festival: the cars will be driven - and raced - hard, against the clock up the mile-long hill, and several have been badly damaged in previous festivals.

They will be driven by a Who's Who of racing drivers spanning three generations.

In a world far removed from the commercialism and inaccessible paddocks of Formula One, any of next weekend's expected 100,000 visitors can walk around, see,

touch the cars and talk to the drivers.

Step back incautiously and that could be Stirling Moss's foot on which you're treading - certain to produce some colourful invective, because Stirling is no less forceful in voice as in driving.

Worse yet, the foot

could belong to Eddie Irvine.

Later the fearsome current

Formula One star will be at

the wheel of his Grand Prix Ferrari.

Former world champions

Jackie Stewart, John Surtees, Sir Jack Brabham and Jody Scheckter will also be there. From other disciplines, there will be Le Mans legend Derek Bell and former world rally champion Stig Blomqvist.

Until he slips into his race overalls and Lotus, the unassuming figure of Lord March himself is likely to go unnoticed. His usual festival dress of slacks and blazer blends him easily into the background.

Coin Star

Despite being much better known in recent years for its horse-racing, Lord March's personal enthusiasm is for motoring. "It's probably innate, just like my grandfather" - the engineer/designer/racing driver known simply as Freddie March.

Charles March's interest in motoring has survived a four-month hospital stay after crashing badly on the estate as a 16-year-old, a Morgan three-wheeler whose back wheel kept falling off, and a string of hooligan vehicles such as the Mini Cooper S.

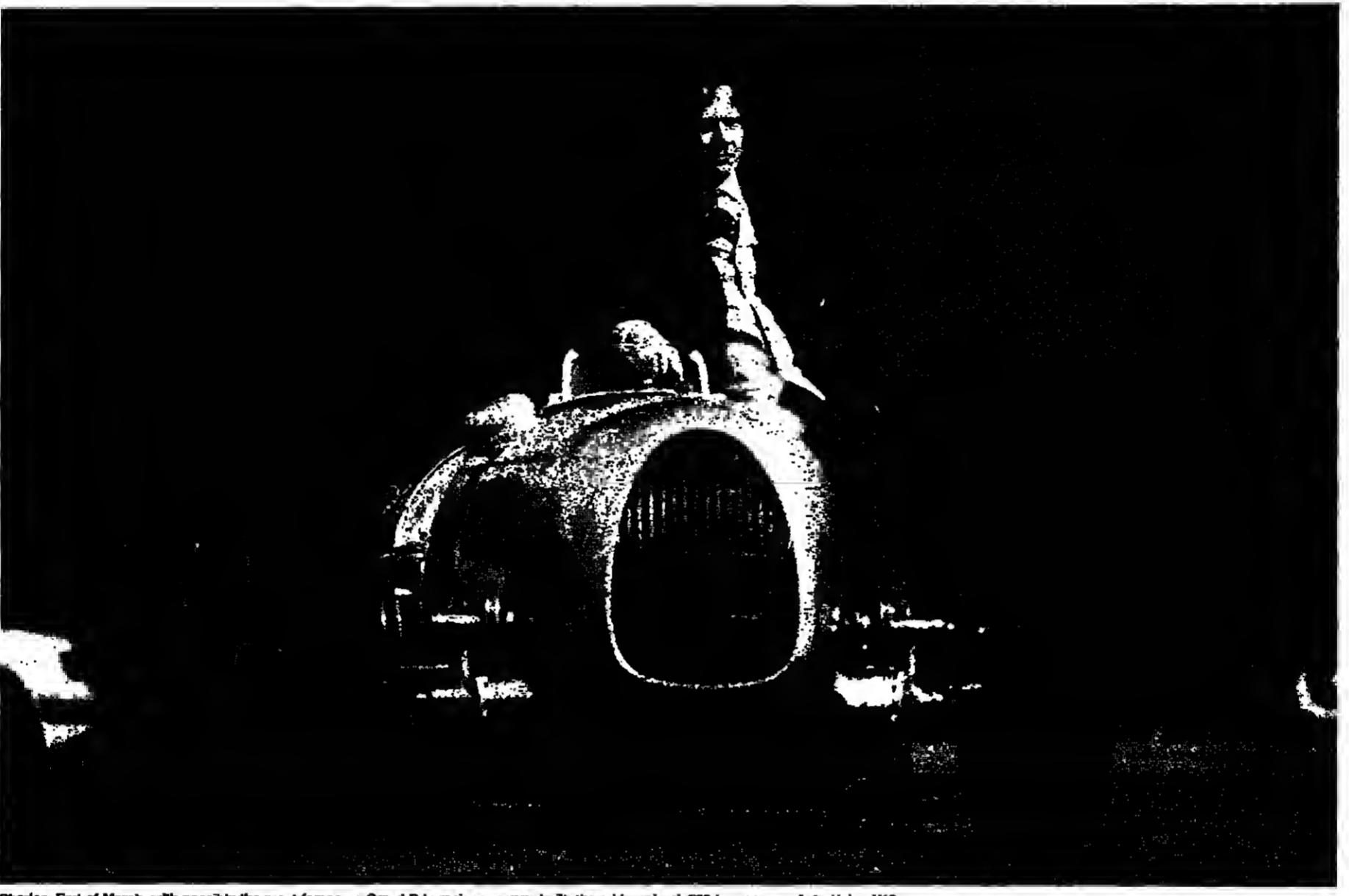
He loves driving his historic Lola Mk 1 race car, and it is the symbol of a nagging regret. "I'm not as mad as Robert," he says in reference to the irrepressible Brooks. "but I do regret coming to motor racing that little bit late. I was so focused on other things to do with the estate. It's only now I think, 'why on earth didn't I do this before'?"

Earlier this year he was planning for what he acknowledges is the biggest and potentially most satisfying venture of his life. It is now 30 years since the last echo of racing engines faded at the 2.4-mile circuit at which Stirling Moss, the greatest driver never to win a Grand Prix world championship, had his racing career - and almost his life - cut short.

A "living museum" of motor sport is to follow.

When it is completed, almost certainly not until early next century, about 300 jobs

should have been created.



Charles, Earl of March, with possibly the most fearsome Grand Prix racing car ever built: the mid-engined, 520-horsepower Auto Union V16

Cadillac gears up to make a great name great again

But fins are not part of the revival plan, reports Richard Waters

It is hard to get passionate about the new Cadillac Catera. With its tucked-in rump and sharpened nose, this vehicle scarcely graces the famous name it bears.

The great finned creations of Cadillac's past played the romantic lead in America's mid-century love affair with the road; who will ever forget Elvis's pink model, or the one driven by Chuck Berry's girlfriend in *Maybelline*? But this creature of the 1990s has little to stir the soul. And, as if to rub in the difference, the Catera does not even bear the *Made in America* label; it comes from the assembly lines of Adam Opel, the German arm of Cadillac's parent, General Motors.

Yet, paradoxically, the Catera could turn out to be the missing link that Cadillac needs to help it step back to the future. This retro-fitted, middle-of-the-range German sedan has already made it possible for one of the most famous

names in luxury cars to reach out to a market it was in danger of losing forever.

By the time Bruce Springsteen was singing about pink Cadillacs early in the 1980s, the brand seemed half way down the slippery slope to oblivion. The roots of its problems lay in the fuel cri-

sis of the 1970s which led to a backlash against big cars that drank petrol as if it was water.

Unfortunately, these qualities were "one of the attributes of General Motors and Cadillac". So says Jack Smith, who has just taken over running the division



How it is... the 1997 Catera. Made in Germany, it has little to stir the soul. But plans are afoot to turn Cadillac into a world-beater

too much like each other.

"We worked through all the

goodwill that had built up

over the decades."

Now, big is most definitely back on America's streets. A new generation of V8-powered gas-guzzlers numbers along, thanks once again to low prices at the pump. But

Cadillac is not a part of this new fleet. Buyers of luxury

cars now want such foreign

makes as Japan's Lexus or Germany's BMW and Mercedes which are smaller and cheaper to run than traditional US models in their class.

By falling to join this new

fleet, Smith says, Cadillac

left it to others to define the

modern idea of what a pres-

tige car was all about. That idea no longer includes big fins, whitewall tyres and spongy suspension. The

Caddy was a relic of their fathers' era.

The trick now, says Smith, is to retain the qualities of the Catera while taking Cadillac back closer to its famous heritage. That means

Bigness and American-ness

- two values that are inseparable.

Asked to define them, he says: "People are always looking for a little bit more."

And he promises "some good, in-your-face American values".

Already, Smith is talking about a completely revamped Catera for early next century with "a decidedly Cadillac execution and a little more American flair" (although he says that fins are definitely not about to

make a re-appearance). Before that will come a new Seville, due later this year.

This will include a right-hand drive version, a sign of General Motors' new ambition to turn Cadillac into a worldwide marque to compete with the best of the German and Japanese names.

How will you know when

Cadillac has finally shaken

off its failures of the past two decades? Easy, says

Smith. "People in Dubai or

Sydney will catch sight of

one as it goes by and say:

"Wow, I want one of those."

The Catera is not that car.

But at least it has shown

that Cadillac might have a

future after all.



How it was... a 1958 hard-top coupe. Fins were all the rage - and none were bigger than Cadillac's

John Griffiths

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

■ AMSTERDAM

CONCERT

Concertgebouw Tel: 31-20-6718345
 ● Chamber Orchestra of Europe: conducted by Bernard Haitink and in works by Mozart, Wagner and Brahms; Jun 16

OPERA

Het Muziektheater Tel: 31-20-5518117
 ● *Jenůfa*: this year's Holland Festival opened with a new production of Janáček's opera, with the Radio Philharmonic Orchestra conducted by Edo de Waart. Soloists include Pauline Tinsley, Peter Straka, David Kuebler, Kathryn Harries and Gwynne Geyer; Jun 15, 17, 20

■ ANTWERP

EXHIBITION

Koninklijk Museum voor Schone Kunsten Antwerpen Tel: 32-3-2387809
 ● Exhibition of miniatures from the period 1475-1550, when Flemish miniaturists developed a unique style; to Jun 22

THEATRE

desingel Tel: 32-3-2483800
 ● *La Malade de la Mort*: by Duras. Directed by Robert Wilson. The cast includes Michel Piccoli and Lucinda Childs; Jun 18, 17, 18

■ ATHENS

CONCERT

Athens Concert Hall Tel: 30-1-7222333
 ● Athens State Orchestra: with conductor Carlos Ariel Gracia and cellist Natalia Gutman in works by Schumann, Dvorák and Tchaikovsky; Jun 20
 Herod Atticus Odeon Tel: 30-1 323 4009
 ● Royal Concertgebouw Orchestra: conducted by Wolfgang Sawallisch in works by Beethoven, Brahms and R. Strauss; Jun 16

■ BERLIN

CONCERT

Konzerthaus Berlin Tel: 49-30-20303090
 ● RIAS-Jugendorchester: with conductor Carl St. Clair, violinist Pavel Berman and pianist Lazar Berman in works by Haydn; Jun 18
 ● Staatskapelle Berlin: with conductor and pianist Daniel Barenboim and pianist Radu Lupu in works by Mozart and Trojahn; Jun 19

OPERA

Deutsche Oper Berlin Tel: 49-30-3438401
 ● *Aida*: by Verdi. Conducted by Miguel Gomez Martinez. Soloists include Maria Elisabetta Florillo and Gergan Grigorian; Jun 19
 Staatsoper Unter den Linden Tel: 49-30-20354438
 ● *Wozzeck*: by Berg. Conducted by Daniel Barenboim. Soloists include Falk Struckmann, Reiner Goldberg and Endrik Wotrich; Jun 15, 17

■ BOLOGNA

EXHIBITION

Galleria d'Arte Moderna Tel: 39-51-502859
 ● George Baselitz: the first retrospective of the German artist's work to be held in Italy, beginning with the New Objectivity of the 1950s and later Abstract Expressionism and his "upside down" works; to Sep 7

■ BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
 ● Sigmar Polke: the largest retrospective exhibition of the German artist's work yet mounted, featuring 220 pieces from all phases of his career, covering his early 1960s Pop Art-inspired parades of consumerism to present day experiments with colour and large format abstracts; to Oct 19

OPERA

Oper der Stadt Bonn Tel: 49-228-7261
 ● *Nabucco*: by Verdi. Conducted by Renato Palumbo. Soloists include Mauro Augustini, Alexander Spermann and Lucie Naviglio; Jun 16

■ BOSTON

EXHIBITION

Museum of Fine Arts Tel: 1-617-267-9300
 ● *Tales from the Land of Dragons: 1000 Years of Chinese Painting*: display of 153 rare and ancient paintings from the Tang, Song and Yuan dynasties, including early Buddhist and Daoist works; to Jul 20

■ BRUSSELS

EXHIBITION

Palais des Beaux-Arts Tel: 32-2-5078200
 ● Alberto Burri (1915-1995): retrospective of the Italian abstract artist; to Aug 17

■ CHICAGO

EXHIBITION

Art Institute of Chicago Tel: 1-312-4433600
 ● Charles Rennie Mackintosh: billed as the most comprehensive show of Mackintosh's work ever mounted, this exhibition features over 200 objects, including architectural drawings, room settings and furniture; to Jun 22

■ COLOGNE

CONCERT



Gwynne Geyer sings the title role in a new production of 'Jenůfa' at Amsterdam's Muziektheater, pictured here with Peter Straka as Laca Klement

Kölner Philharmonie Tel: 49-221-2040820

● Barbara Bonney, Helmut Deutsch and Dmitri Ashkenazy: the soprano, pianist and clarinettist perform works by Schubert; Jun 18

EXHIBITION

Wallraf-Richartz-Museum Tel: 49-211-2212372
 ● *L'Art Gourmand*: exhibition focusing on kitchen and banquet still lives, includes works from artists ranging from Pieter Aertsen to Pablo Picasso; from Jun 19 to Sep 14

■ COPENHAGEN

EXHIBITION

Hayward Gallery Tel: 44-171-9604242
 ● *Rhapsodies in Black: Art of the Harlem Renaissance*: multi-media exhibition examining the artistic legacy of the Harlem Renaissance and the Jazz Age of the 1920s. Paintings, sculpture, photography and rare archival film and sound recordings trace the years when Harlem was a centre for fashion, entertainment and nightlife for African Americans escaping the segregation and racial persecution of the Deep South; from Jun 19 to Aug 17

National Gallery Tel: 44-171-7278855

● Cranach: *A Closer Look*: display of eight works from the Gallery's collection by Lucas Cranach the Elder, one of the outstanding artists of the German Renaissance. The paintings are joined by three more pieces from the collection of the Statens Museum in Copenhagen, providing an overview of Cranach's long career during the 1500s; from Jun 18 to Sep 7

Queens Gallery Tel: 44-171-9304832

● *Views of Windsor – Watercolours by Thomas and Paul Sandby*: collection of works by the brothers who were important figures in the development of watercolour painting in England during the second half of the 18th century. The exhibition includes a number of Paul Sandby's best known views of Windsor Castle and the Home Park painted during the 1760s and 1770s and a selection of works by his brother, including watercolours that relate to his work as a landscape architect in Windsor Great Park; to Jul 13

■ EDINBURGH

EXHIBITION

Scottish National Portrait Gallery Tel: 44-131-5568921

● *The Face of Denmark*: exhibition organised with the cooperation of the Gallery's Danish counterpart featuring around seventy portraits, including works by the painters Jens Juel and Christen Kobke and the sculptor Bertel Thorvaldsen. Also included are works from the Renaissance period when, through the marriage of Anne of Denmark to King James VI, Scotland and Denmark were bound closely by family and economic ties; from Jun 19 to Aug 1

■ FLORENCE

OPERA

Teatro Comunale Tel: 39-55-211158

● *Turandot*: by Puccini. Conducted by Zubin Mehta, performed by the Orchestra e Coro del Maggio Musicale Fiorentino. Soloists include Angelo Vecchia, Ugo Benelli and Paolo Baracchini. Part of the 60th Maggio Musicale Fiorentino 1997; Jun 17, 20

■ GLASGOW

EXHIBITION

McLellan Galleries Tel: 44-141-3311854

● *The Birth of Impressionism*: from Constable to Monet: exhibition featuring over 300 works, setting the Impressionist movement in a social, scientific and historical context, looking at the effects of photography, new print technology and the coming of the railways on artists including Miller, Rousseau, Courbet, Degas, Monet, Pissarro, Manet and Cézanne; to Sep 7

■ HAMBURG

EXHIBITION

Musée National d'Histoire et d'Art Tel: 49-40-24882732

● *Alphonse Mucha: Triumph des Jugendstil*: display featuring over 230 lithographs, drawings, sculptures and photographs by the Czech-born graphic artist and designer; to Jul 27

■ KASSEL

EXHIBITION

Documenta Tel: 49-561-707270

● *Documenta X*: experimental work is showcased in this series of exhibitions dotted throughout the city incorporating a whole range of cultural activity; from sculpture, photography, film, painting and drawings, to theatre, music, literature and new electronic media; from Jun 21 to Sep 28

■ LISBON

CONCERT

Auditorio Nacional da Fundação Gulbenkian Tel: 351-1-7935131

● *Orchestra of the Age of Enlightenment*: with conductor Sir

■ LONDON

EXHIBITION

Hayward Gallery Tel: 44-171-9604242

● *Exiles and Emigrés*: 1933-1945: this major exhibition of some 150 paintings, sculptures, and works on paper as well as documents, books and audio and video material, focuses on the work of twenty-three well-known painters, sculptors, photographers, and architects in exile during the twelve years of Nazi rule. It includes works by Vassily Kandinsky, Max Ernst, Marc Chagall, Walter Gropius, Mies van der Rohe and others; from Jun 19 to Sep 7

■ MONTREAL

EXHIBITION

Montreal Museum of Fine Arts Tel: 1-514-285-1600

● *Exiles and Emigrés*: 1933-1945 which included elements of art nouveau and symbolism. Its contributors included Gauguin, Toulouse-Lautrec and Redon; from Jun 20 to Sep 14

■ MONTREAL

EXHIBITION

Montreal Museum of Fine Arts Tel: 1-514-285-1600

● *Gauguin to Toulouse-Lautrec*: French Prints of the 1890s: approximately 80 prints and drawings mainly from the National Gallery's collection focusing on the circle of artists who contributed prints to "L'estampe originale", a series of prints published by André Marty between 1893 and 1895 which included elements of art nouveau and symbolism. Its contributors included Gauguin, Toulouse-Lautrec and Redon; from Jun 20 to Sep 1

■ MOSCOW

EXHIBITION

State Pushkin Museum Tel: 7-095-2036974

● *Etchings by Rembrandt: Reflections of the Golden Age*: display of Holland's largest collection of etchings by the Dutch master, including self-portraits, Biblical scenes, mythological figures, book illustrations, figure and bust studies and landscapes; to Jun 29

■ MUNICH

EXHIBITION

Kunsthalle der Hypo-Kulturstiftung Tel: 49-89-224412

● *Alberto Giacometti*: display of works by the Swiss sculptor, with over 60 pieces selected from the Foundation Maeght in St. Paul-de-Vence; to Jul 14

● *Les Franks*, précurseurs de l'Europe: display of over 1000 objects from the Franks period, covering the third to the fifth centuries, including glass, jewellery, ceramics, weapons, manuscripts, coins and a collection of Merovingian tombs; to Jun 22

■ MUNICH

OPERA

Cuvillié-Theater – Altes Residenztheater Tel: 49-89-206836

● *Tosca*: by Puccini. Conducted by Asher Fisch and performed by the Bayerische Staatsoper. Soloists include Tiziano Fabbricini and Sergej Larin; from Jun 17 to Jun 21

■ NANTES

EXHIBITION

Musée des Beaux-Arts de Nantes Tel: 33-40-47 65 65

● *French portraits in the reign of Louis XIV*: featuring 80 paintings and 50 drawings by artists including Lefèuvre, Mignard, De Troy, Langlire and Rigaud; from Jun 15 to Sep 15

■ LOS ANGELES

OPERA

Dorothy Chandler Pavilion Tel: 1-213-972-8001

● *Le Nozze di Figaro*: by Mozart. Conducted by Evelino Pidò. Soloists include Richard Bernstein, Rodney Gilfry, Solvay Kringelbaum, Inva Mula and Paula Rasmussen; from Jun 15, 17, 19, 21

■ LUXEMBOURG

EXHIBITION

Musée National d'Histoire et d'Art Tel: 352-473301

● *Peintures de l'âge d'or du Danemark*: exhibition examining Danish art from the first half of the 19th century. On display are works by Christoffer Eckersberg, Constantin Hansen and Wilhelm Marstrand; from Jun 20 to Aug 30

■ MADRID

EXHIBITION

Museo Nacional Centro de Arte Reina Sofia Tel: 34-1-4675062

● *Lipchitz (1891-1973)*: retrospective exhibition devoted to the work of the 20th-century sculptor Jacques Lipchitz. The display features some 80 sculptures as well as drawings and other items giving insight into the artist's working methods; to Sep 2

■ NEW YORK

AUCTION

Sotheby's Tel: 1-212-608-7000

● *Americana*: highlights include a rare oil on canvas by the 19th century ship portraitist James Bard, "The Schooner Robert Knapp"; from Jun 17, 18

■ NEW YORK

CONCERT

Carnegie Hall Tel: 1-212-903-9600

● *American Russian Youth Orchestra*: with conductor Leon Botstein in works by Tchaikovsky and Glazunov; from Jun 18 to Jul

Weekend Investor

Wall Street

Who'd want to be a bear these days?

Investors are happy to keep the equities bandwagon rolling, says Tracey Corrigan

It is becoming harder than ever to be a bear on Wall Street. Despite plenty of evidence that the market is overvalued, it just keeps hitting new highs.

Grant's Interest Rate Observer, a Wall Street newsletter, tells the tale of a Smith Barney broker in Long Island who drives a BMW with the licence plate Dow 7500.

Previously, he drove a Cadillac with plates stamped Dow 5000. Before that, it was a Plymouth with Dow 3000 plates.

Even though he warns that "something is gonna hit the ol' Westinghouse fan" sooner or later, the broker remains bullish.

According to some observers, however, the bull market in US equities has become a craze, rather like the wave of enthusiasm for the *Tickle me Elmo* doll which was sold for thousands of dollars last Christmas.

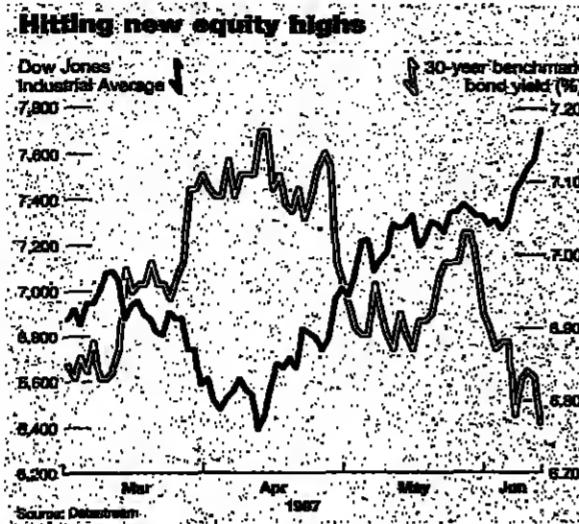
"It's more manic than usual," says long-time bear Michael Metz, a strategist at Oppenheimer. "There is an absolute certainty that [the US economy] is going to have a soft landing."

According to Metz, the market has discounted the ideal scenario of low inflation, low interest rates and rising earnings not once but several times over. In fact, he believes, there will be disappointment on all three fronts.

Inflationary pressures are showing through in material prices and interest rates are set to rise. Corporate earnings growth, always based on expanding margins rather than unit gains or pricing power, has peaked and the levels of earnings growth - of three or so times gross domestic product growth - seen in the past few years will not be repeated this year.

Trevor Greetham, Merrill Lynch's global strategist, agrees that rumours of a soft landing have been exaggerated greatly. "Leading indicators of economic activity still suggest more strength is ahead," he argues.

"There has never been a time when the economy just slowed down on its own. It has had a weak patch, but there won't be a slowdown until there is [further] tight-



that such caution has, in fact been a failure to recognise fundamental changes in the economic cycle. "The theory that inflation pressures must inevitably follow low unemployment, and the idea that profit margins are in jeopardy as a result of rising costs, have been fixtures of Wall Street's conventional wisdom that have kept investors overly cautious and cost them dearly in performance," writes Prudential Securities strategist Greg Smith in a recent research note.

But recent action in both bond and stock markets suggests investors just might be loosening their embrace of these tenets - possibly producing another couple of years of positive surprises for investors."

Of course, standing out from the crowd is at least as hard for fund managers as for anyone else. Being wrong when everyone else is wrong, too, is never likely to lose a job.

Equally, however, the mere strength of the market's conviction is not, as the markets have proved again and again, enough to sustain a rally.

"I think [the US market] is at least 20 per cent overpriced. But it's a psychological phenomenon. Anyone who has been cautious has been wrong," says Metz.

But the fact remains that the cautious investor has been the victim of the bull market, which has so far taught that fear is more dangerous than greed. Grant's describes bears as "standing under a shower of money holding under an umbrella". The bulls' argument is

that the market is 100 per cent overpriced.

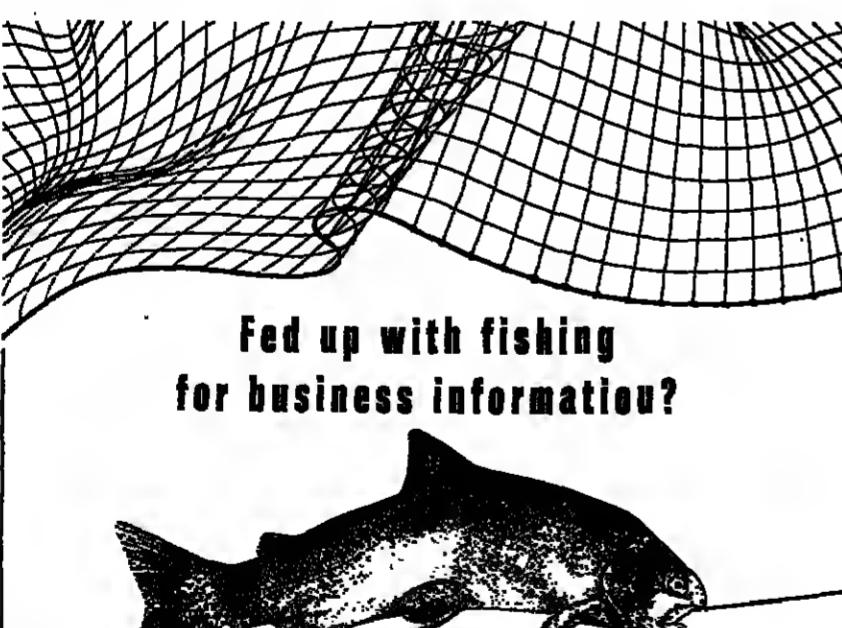
Online. At your desk. At a fixed price.

So if you want to stop fishing, call the FT Discovery information line on +44(0)

171 825 8000, email: ftdiscovery@ft.com or fill in the coupon.

Do you waste time searching for the right information? There is a solution - FT Discovery. For company information, business news, real time news and much more. It couldn't be easier. Simple to use.

Yes, I would like to stop fishing for business information. Please have a representative call me to discuss my requirements.



FT Discovery. The instant way to hook the information you need.

Do you waste time searching for the right information? There is a solution - FT Discovery. For company information, business news, real time news and much more. It couldn't be easier. Simple to use.

| | |
|---|----------|
| NAME | COMPANY |
| POSITION | ADDRESS |
| OFFICE PHONE NUMBER | POSTCODE |
| NATURE OF COMPANY'S BUSINESS | |
| Phone FT Discovery information line on +44(0) 171 825 8000 or email: ftdiscovery@ft.com | |

FT Discovery

London

No need for nerves

Philip Coggan asks if comparisons make sense

As the baseball manager said: "It's like déjà vu all over again." The economy has been growing steadily for several years, the stock market is soaring, house prices are rising, the consumer has cash to spend in the high street. It is tempting, in the circumstances, to draw parallels between 1987 and 1997, but does a comparison make sense?

From a stock market point of view, one can point to the continuing round of takeover speculation and the excitement over new issues; one can even see, in the saga of Lanica and the Co-op, the echoes of some of those shell company bids (Beniox and Storehouse, for example) that characterised the 1987 bull market.

These are certainly good times in the City. Bonuses are buoyant; the streets around the offices of investment banks are replete with

sports cars; and teams of analysts are being headed by rival firms.

So should one be worrying that a repeat of the crash is round the corner? History rarely repeats itself so neatly. For a start, the current round of takeovers has a far greater cash element than it did in 1987. Then, the rights issue was the favoured route for predators.

"When companies start issuing a lot of paper, that's a sign we're near the top of the market," says Bob Sample, market strategist at NatWest Securities.

At present, share buy-backs and special dividends are a sign that companies are still keen to return cash to their shareholders.

Secondly, the boom seems at a much earlier stage. The housing recovery is, if not in its infancy, still in its adolescence; consumers may be about to go mad with their building society windfalls, but there have been few

signs of excess to date.

The pace of events was rather faster back then. The UK economy grew by 4.8 per cent in 1987, and by an amazing 5 per cent in 1988; the OECD's forecast this week predicted growth rates of 3 per cent and 2.7 per cent for 1997 and 1998 respectively.

Short-term interest rates averaged nearly 10 per cent in 1987, compared with today's 6 per cent plus; gilt yields were a good 2½ percentage points higher than their current level.

As the graph shows, the stock market's rise in 1997, while rapid, has not been anything like as fast as it was 10 years ago.

Furthermore, the use of Footsie as a benchmark flattens the current market; the FTSE 250 index has risen only 2.1 per cent this year. The "small company effect" was all the rage in 1987, with minnows such as Acis Jewellery measuring gains in thousands, rather than hun-



Bull market is it 1987 all over again?

dreds, of per cent.

In terms of valuations, the 1997 market looks much less exposed than its 1987 counterpart. The price-earnings ratio on the non-financial index is 19, higher than it was in early 1987, but below the peak of 21 reached before the crash.

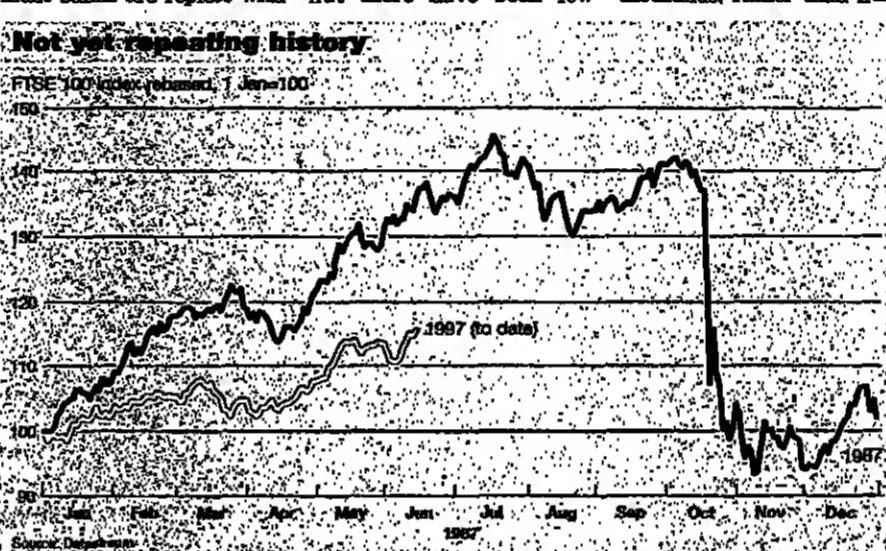
The dividend yield of 3.45 per cent on the All-Share is well above the pre-crash low of 2.85 per cent. Because interest rates and gilt yields are much lower now than they were then, the market looks less exposed relative to bonds and cash than it did 10 years ago.

For example, in 1987, you could get almost double the return from cash than from shares, in terms of the earnings yield (the inverse of the p/e) and three times as much in terms of dividend yield. Now, cash offers only 1.25 times the earnings yield and less than twice the dividend yield.

In short, there is no need to get too nervous, in the UK at least, about 1987/88 comparisons. Perhaps we are at the equivalent stage to late 1986, but there is still some way to go before the bubble really inflates. A warning sign might be enthusiasm for penny stocks.

This is not the case in the US market is invulnerable to a decline. Markets can fall without crashing and arguably the signs of overvaluation may be clearer in the US than in the UK.

Over the couple of weeks before the Budget, it seems likely that the international markets will continue to set the tone for London.



| | Price | Change | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 |
|---------------------|--------|--------|--------|--------|-------------------------------------|------|------|------|------|------|------|------|------|
| FTSE 100 Index | 4783.1 | +138.1 | 4765.1 | 3612.6 | Wall St record/bid speculation | | | | | | | | |
| FTSE 250 | 4783.1 | +138.1 | 4765.1 | 3612.6 | Wall St record/bid speculation | | | | | | | | |
| FTSE 1000 | 4783.1 | +138.1 | 4765.1 | 3612.6 | Wall St record/bid speculation | | | | | | | | |
| Armenian Int | 100612 | -25612 | 1610 | 940 | | | | | | | | | |
| BAT Inds | 50214 | -44514 | 599 | 411 | | | | | | | | | |
| Bank of Scotland | 38812 | -322 | 42814 | 22716 | | | | | | | | | |
| Energy Group | 646 | -846 | 665 | 46312 | Pacificorp bid | | | | | | | | |
| GEC | 20112 | -2009 | 31201 | 27095 | Honeywell US tobacco settlement | | | | | | | | |
| Imperial | 378 | -142 | 414 | 2776 | Rekindled bid talk | | | | | | | | |
| Imperial Tobacco | 417 | -128 | 43816 | 352 | US presentations | | | | | | | | |
| Johnson Matthey | 54775 | -775 | 681 | 480 | Japanese link-up, results & squeeze | | | | | | | | |
| Lloyd TSB | 84115 | -40 | 881 | 3004 | Recommendation | | | | | | | | |
| Motor International | 44614 | -38 | 44774 | 3774 | Strong | | | | | | | | |
| Scottish Hydro | 41014 | -195 | 42916 | 27114 | Good figures | | | | | | | | |
| TeleWest Comm | 8816 | +15 | 171 | 612 | Squeeze | | | | | | | | |
| United Biscuits | 84 | -18 | 7112 | 224 | Search settlement | | | | | | | | |

The company which issued a profits warning last week was JD Sports, not JJB Sports



Barry Riley

Why risk is so necessary

A collapse here and there is not always bad

The biggest challenge facing Britain's proposed new all-embracing financial regulatory body - the extended Securities and Investments Board - will not be how to keep the financial system unblemished. Paradoxically, it will be how to allow financial firms occasionally to collapse so that, from time to time, investors lose money pour encourager les autres.

So far, the new government's month-old plan to roll up the existing investment regulators with banking supervision, formerly the preserve of the Bank of England, has met with approval - even enthusiasm - from consumer bodies but a certain amount of sniping from the City of London. The City's wholesale market institutions fear they will end up paying for such expensive retail accidents as the mis-selling of personal pensions.

Unfortunately, there is a serious danger of encouraging excessive expectations among the public. If Howard Davies, chairman-designate of the Super-SIB, does not make it clear that private individuals will retain a significant degree of responsibility for their own decisions, his job will not last longer than the new regime's first serious financial mishap.

It is so easy for the aims of financial regulation to be misunderstood. One is systemic stability: that is, the protection of the financial system against a serious accident, and especially against a chain reaction of

collapses. Individual investor protection is at quite a different level: the intention is that reasonable members of the public should not be swindled by crooked or incompetent practitioners.

Some risk must be left in the system, however, or the authorities are simply giving an open-ended guarantee. All too often, of course, personal investors believe that is what is

being offered. Indeed, some institutions are "too big to fail". But, two years ago, Barings was adjudged small enough to be let go. Holders of its unsecured loan notes learnt a very expensive lesson although its depositors got away with it, which seems unfair. But then that is how investment risk operates.

All of us can protect ourselves against investment risk by using prudent diversification, by doing some research, by taking expert advice and, not least, by moderating our greed. The much easier course, however, is to blame the government when things go wrong.

After nine years of regulation under the Financial Services Act there are fewer outright collapses of investment firms, like Barlow Clowes. But regulation of the intermediaries has made only limited progress, and the education of the public has got almost nowhere. The

problems now focus on poor advice, as with home income plans and pensions' mis-selling. John Sadler, former chairman of Pearl Assurance, and David Simpson, an adviser to Standard Life, admitted in an FT article last week that the reputation of the retail investment industry among the public had got worse than ever. Competition is ineffective, in that good products are not driving out the bad

(often the reverse). The contribution of the regulators has been to insist on ever more elaborate formalities. This always raises the costs but only sometimes delivers a better outcome. A salesman, having passed all his examinations with flying colours, can still sell you a duff policy - and he often does.

Is this really a failure of regulation? It is naive of people to believe they are going to get good advice from a salesman representing a poor company. They should pick the product provider carefully. But, too often, they do not and the salesman chooses them instead. Buyer beware: the regulators have ordained that statistics on product performance are disclosed, and are analysed, in financial magazines that probably are available at a public library somewhere near you. Yet, buyers of financial products often do not check

them out as carefully as they would a car or refrigerator. Perhaps Howard Davies should spell out these consumer responsibilities more forcefully if he wants to escape the blame when things go wrong. The public, though, expects protection, not criticism.

These issues will come to a head if the government decides to go ahead with a scheme to phase in compulsory personal pensions. The providers will have to be specially approved and the products will need to be standardised in design and strictly controlled in costs. The government could scarcely avoid giving at least implicit guarantees of financial and administrative soundness, given that people will be forced to buy such products; what happens if investment performance turns out to be disastrous is more of a moot point.

Could this idea of different levels of regulation be one to build on for the future? It would need careful control. Grade B products might try to masquerade as Grade A. After all, investors in Barlow Clowes thought they were investing in safe gilt-edged, but had actually trusted their money to a dubious Gibraltar fund owning a luxury yacht and various speculative investments.

At any rate, roll on the Super-SIB. Under the integrated new regulatory structure, we will at last know exactly where to complain. Yet, the reply could be: you have lost your money,

FT WEEKEND

True Fiction

A boring old nightingale makes good

The oilfields of Azerbaijan have bred an unlikely hero, says John Thornhill

No one took Boris Sollertinsky seriously when he said he would buy Texxon. Perhaps it was the ill-fitting leather jacket that he wore on shopping trip to London, or the very wide, extremely loud necktie that fell awkwardly beyond a garish belt buckle encrusted with what must have been fake diamonds.

But the Russian oilman did seem to have the companionship of confidence when he toured the floor of the London Stock Exchange in 1995, telling rough jokes that lost none of their crudity in translation, and making clear his intentions towards the largest and most winsome of the Seven Sisters.

Three years later, it happened. Sollertinsky struck. Like so many other companies, Texxon was vulnerable after the stock price collapse of November 1997. With six brokers buying simultaneously, each unaware of the other's role, "Tintin" Sollertin-

sky and Russoil scooped up 80 per cent of an oil giant that all had thought impregnable.

But who is he? Where was he born? Baku – is that a city or a missile? Sollertinsky. Expertise from the oil fields of Azerbaijan? Is he mafia? Colombian connections? Has he really just bought that enormous mansion flanking St James's Park?

"Ira, come here," Sollertinsky growled in the hoarse whisper that was his trademark. In walked a statuesque blonde, late 20s, wearing Gianfranco Ferré florals, seemingly a size too small and a little more revealing than the designer had intended.

Just like the genuine pink diamonds in his belt, the presence of Ira, his "personal assistant", at international oil conferences (Venice, Nice, the Tunisian resort isle of Jerba), had made Sollertinsky easy to mock.

But Ira had come top of her class at Moscow State University and had done a postgrad at Harvard Business School. Ira summarised a sheaf of reports about the Texxon hide, her voice mixing the cadences of Pushkin's language with the dissonant Russian jargon of Anglo-Saxon finance.

"The bells of the Cathedral of St James the Blessed are tolling for Texxon. The blood of its manhood has been spilled. Our position is as long as destiny itself."

She glanced up to see her boss staring at an oil painting of his grimy, gritty hometown of Baku. Perhaps, she thought, he was contemplating his earliest years of poverty in an oil refinery worker's home. His father fixed pipeline leaks and was missing for days and weeks, returning with his clothes stained with oil and his face pale from exhaustion.

But Sollertinsky was not repelled. Oil excited him. He loved the smell, and asked again and again for his father's tales of the Americans whose backyard suddenly oozed wealth, of the

Beverly Hillbillies, the black gold, the Texas tea, and the cars longer than a Kremlin cavalcade.

Then he thought of his own pioneering days in Siberia, when in bitter, unbelievably cold winters, idle workers would amuse themselves by urinating in the freezing air and then jump back as a spear of an icicle would threaten to impale them.

The driven young oilman developed fields amid Siberia's icy wastes and, in summer, mosquito-infested swamps, earning a cheerful of medals for his contributions to "building the motherland". His favourite was the Socialist Hero of the Irkutsk Gusher awarded for his der-

ring-do in blowing out a well fire with nothing more than a stick of dynamite and a box of soggy matches.

Then Sollertinsky was reflecting on his buccaneering adventures in the mid-1990s when he had shuffed the country's vast oil assets with the finesse of a poker player on a hot streak. Enduring the patronising sights of foreign oil executives, Tintin listened carefully to the capitalists, separating the boastfulness from the basics.

He learned that you need the assistance of skilled accountants, so he hired Whoopers & Floss. His books had never looked better. Then he found famous bank

ers courting him. For Russians in the old, closed days, these resonated like the names of Hollywood stars: Charlie Chaplin and Chase Manhattan. It took him a while to get accustomed to the company.

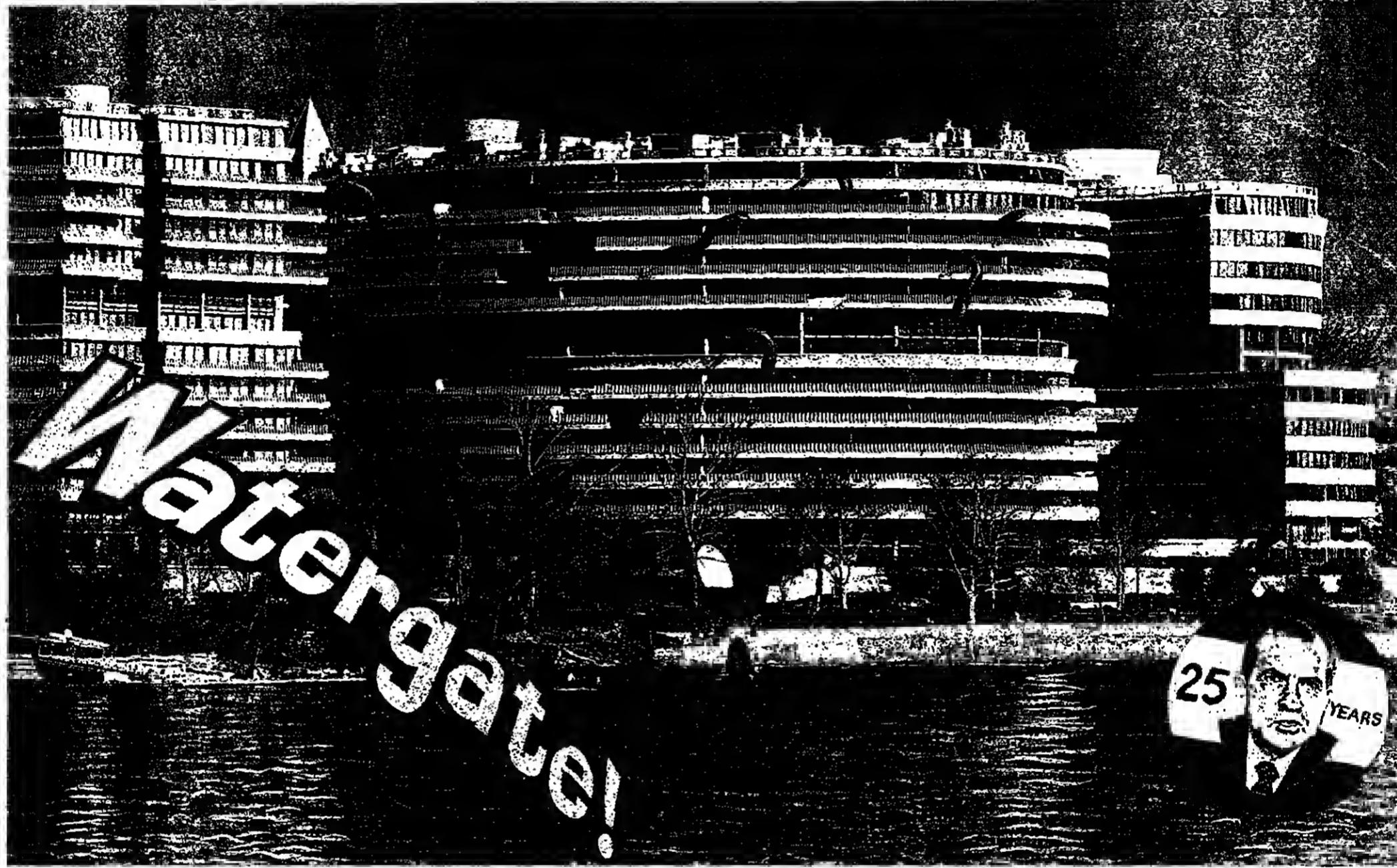
They flew home to their Long Island dinner tables to tell tall tales of the "Wild East". Sollertinsky's "openness" to foreign investors seemed all the more remarkable compared with the Neanderthal nationalism of his peers. The general conclusion, reached in a dozen confidential reports for a dozen different boards, was that a deal with Russia would mean a large foot in the Russian door.

How remarkable, Sollertinsky thought, are the market forces of the west. That they should fight to give me the money, and then take me by the hand to Texxon. My father was right to keep reminding me of his favourite, most profound saying: "In a land without birds, even a fart sounds like a nightingale."

Metropolis

The home of lost innocence

Twenty five years on, the faded opulence of Watergate symbolises Americans' attitude towards their government, says Bruce Clark



All the best suites at the Watergate Hotel look down on the Potomac. The broad, stately waterway, which gives little hint of the rapids only 10 miles to the north, still looks fresh and clean as it glides towards the city from the Appalachians.

But after the bend, where the waters enter the capital's heart, they turn brash. And the mighty Potomac is downright polluted by the time it meets the Anacostia River, whose south bank is an urban war zone.

In any case, river-gazing is not the only reason why an unusual number of visitors will be coming this week to inspect the faded pebble-dash fortress of Watergate, a complex of office buildings, luxury boutiques and apartments for grand old Washingtonians, such as former Senator Bob Dole.

On Tuesday, it will be a quarter of a century since the most famous burglary in political history – when five men in suits, ties and surgical gloves were discovered riding through the files of the Democratic National Committee on the 11th floor.

What began as a sordid tale of larceny, carried out in the small hours of June 17 1972 by four Cuban-Americans and a former technician from the Central Intelligence Agency, ended two years later with the downfall of President Richard Milhouse Nixon.

To mark the occasion, the hotel is offering "a steal of a deal" on its riverside suites, with "milk and cookies at turn-down, complimentary parking, breakfast in bed and a Watergate break-in souvenir amenity..."

On the eve of the anniversary, there will be a "break-in party" in the ballroom, complete with a Nixon impersonator, waiters dressed in secret service attire and "cuisine from China to mark Nixon's historic relations with that country..."

But real aficionados of the weird political psychodrama that left 25 people in jail and spawned more than 200 books may find greater interest in a more modest establishment over the road.

Room 723 of the old Howard Johnson – now Premier – Hotel has become a shrine for Watergate buffs. That was where three of the conspirators, former FBI and CIA men, monitored the break-in. They apparently failed to realise that a vehicle pulling up outside was a police car.

But however freely the Watergate pilgrims imbibe their Nixon

souvenir champagne (a salp at \$100 a bottle) they will never fully understand the sordid, mysterious tale which still informs the political culture of America.

To this day, the greatest scholars of the Watergate affair have no clear idea of why the burglary took place, or whether Nixon himself ordered it. Professor Stanley Kutler, whose book *The Wars of Watergate* reflects 15 years' work, 60 interviews and thousands of documents, lists half a dozen hypotheses without adopting any of them.

It is clear, he says, that Nixon was obsessed with gaining information of all kinds about his Democratic opponents. But what exactly did the burglars want to know? Was it information about Republicans and Democratic users of a call-girl ring? Was it evidence of links between the Democrats and left-wing radicals? Were they simply removing wire taps that they had planted earlier?

One intriguing version, now discounted by Kutler as too conspiratorial by half, holds that the CIA wanted the break-in to fail in order to discredit Nixon, who two years earlier had ordered a purge of the agency.

Yet another theory maintains

that the presidential camp wanted to see what the Democrats knew about a large financial contribution to the Nixon campaign from the military regime then ruling Greece.

So controversy over campaign contributions from questionable Asian sources – possibly including the Chinese government – to Clinton's Democrats is by no means the first instance of foreign money becoming an issue in Washington politics.

For many observers, the Nixon era led to a permanent loss of innocence in America's political Eden.

In Kutler's words: "At the time of Watergate, it was shattering for people to discover that the government was lying... but now they just shrug their shoulders and ask what else is new."

But perhaps, the American enterprise has always been a

soaring, oxymoronic mixture of

cynicism – after all, both qualities

are needed in a young, pioneer nation where the victory over the wilderness does not feel entirely complete.

Even the most jaded visitor – or resident – can still feel inspired by the experience of fly-

ing over Washington: so dignified, at least from that distance, and yet so improbably small. (And shrinking – as middle-class blacks follow whites to the suburbs, the District of Columbia is losing 10,000 residents a year.)

But on the approach to National Airport, it almost feels possible to stretch out and touch the landmarks: the Capitol, the White House, Arlington cemetery – and the graceful curving towers of Watergate, with ramparts like serrated teeth.

Along with the Kennedy Arts

Center next door, the completion of the Watergate complex in 1967

helped give a more contemporary flavour to a city that felt in parts – and can still feel – like a sleepy, segregated, southern town. For today's Washingtonians, the slightly dilapidated facade evinces genteel comfort – and ironically enough, security.

Leafy Georgetown, home of the city's power-brokers, is not entirely free of muggers. So Watergate affords a safe, well-guarded haven for the affluent elderly – people who have seen enough political scandals to be philosophical – as they sit and watch the river flow onward and get dirty.

overland search.

Have the findings of this expedition and those of our two previous expeditions to other areas of the proposed sanctuary saved the camel? Some funding has been received from Shell China, but the balance needs to be found urgently. If not, the combined effects of illegal hunting and mining could wipe out the wild camels of Lop Nur in less than five years. Since China has abandoned nuclear testing to the north of the lake, many opportunists are casting covetous eyes at possible mineral deposits in one of the last wilderness areas.

These wild Bactrians are the last remnants of the herds that were domesticated more than 4,000 years ago. DNA tests are being conducted to try to confirm that their genetic make-up is different from that of the domestic Bactrian. But their ability to survive in this hostile, barren wilderness on a diet of salt water and minimal vegetation makes them infinitely worth saving.

■ Further details from: John Hare, The Wild Camel Protection Foundation, School Farm, Benenden, Kent TN17 4EU, tel: 01580 241122; fax: 01580 340952. His book on The Lost Camels of Tartary will be published by Little, Brown next year.

No 1841 Cost 1.10s 2.10s Over 3.10s and postage next move.

Arcadia

How we got over the hump

An expedition to track wild camels in a Chinese desert skated on thin ice. John Hare reports



What would the committee have done?

Finally-pure herds of wild Bactrian camels. But before the exact area (nearly twice the size of Germany) could be finalised, we had to establish the migration route to make sure that it was included within the sanctuary boundary.

The mission had been completed. Our one piece of modern equipment, a Global Positioning System (GPS) donated by Jardine Fleming, the Hong Kong investment bank, had pin-pointed the map references, and we were all set to return exhausted but triumphant, when the great wind came.

The walk back would have meant crossing more than 150km of pebble-strewn, featureless and lifeless desert. We would then face the Kum Tagh sand dunes and struggle over that unchartered barrier for 25km.

The final 125km would cross the rock-strewn gullies and dry riverbeds of the Altun Tagh mountains. Our camels could cover this in four days. With each team member carrying his own food and water, and with "bad blood" and a "creaking knee" how long would it take us on foot?

On the Friday afternoon one of the herdsmen had a vision. He forecast that the two herdsmen that we had sent off the previous Monday to track the camels would return early on Sunday with all the fugitives. This provided us with a welcome diversion from humping Tamarisk branches up the cliff-face to keep our mighty beacons ablaze.

On Saturday evening, a swallow appeared. Swallows are flock birds and are not normally seen in Lop Nur. The bird circled around Jasper and me in a series of figure-of-eights, practically brushing our clothing.

We remarked on its strange behaviour and concluded that it must be a migrating bird that had lost direction. However, moments later a shout went up.

On the horizon of the featureless desert to the south, tiny specks had appeared. The herdsmen had found our camels.

We returned to base in three days – just in time to stop the authorities mounting an air and

Friday the strain was beginning to show. The great wind and sand storm that had destroyed much of our tentage had also scattered our domestic Bactrian camels and sent them racing back towards the Altun Tagh mountains more than 100km away had occurred the previous Sunday, April 13.

We were perched high on a cliff overlooking the dried-up lake bed of Lop Nur in China's Xinjiang province. We were well over 350 kms from our base camp and we had no radio.

Zhao Ziyang, our expedition guide, domestic camel broker, former wild camel hunter, gold medal-winner as "the ninth all-time explorer of China", lay slumped in one corner of the tent, breaking off the glass tops of an endless supply of small bottles of liquid ginseng. Jasper Evans, rancher and camel-breed from Kenya, ground hard maize kernels – which had been brought as camel food – to supplement our dwindling rations.

I played endless games of backgammon with our team-leader's son, young Yuan, who won with a monotonous frequency. His father stood on a hillock performing Chinese exercises to "relieve his brains".

Each one of us was aware of the mind-concentrating fact that our remaining water supplies